COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED

SEPTEMBER 30, 2018

CITY OF PLANO, TEXAS

Plano
City of Excellence

CITY OF PLANO, TEXAS

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2018

Prepared By:

Accounting Division

Director of Finance – Denise Tacke
Controller – Allison Friloux

Tyler Anderson
Nicholas Billington
Natalie Chavez
Charline Grant
Debbie Hartwell
Pamela Hodges
Jane Howell
Theresa King
Katherine McGuire
Megan Medrano
Brandon Potemra
Sheri Stephens
Crystal Swiere
Valerie Tidwell
Leeia Wiggins

Plano
City of Excellence

CITY OF PLANO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
TABLE OF CONTENTS

		Page
I.	**INTRODUCTORY SECTION (UNAUDITED)**	
	Letter of Transmittal	iii
	Certificate of Achievement	xiii
	Organizational Chart	xiv
	Elected Officials and Administrative Officers	xv
	The City of Plano, Texas and Surrounding Areas Map	xvi
II.	**FINANCIAL SECTION**	
	Independent Auditors' Report	1
	A. MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	5
	B. BASIC FINANCIAL STATEMENTS	
	Government-Wide Financial Statements	
	Statement of Net Position	19
	Statement of Activities	20
	Fund Financial Statements	
	Governmental Fund Financial Statements	
	Balance Sheet	22
	Reconciliation of the Balance Sheet of Governmental Funds to the Government-wide Statement of Net Position	24
	Statement of Revenues, Expenditures and Changes in Fund Balances	26
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities	28
	Proprietary Fund Financial Statements	
	Statement of Net Position	30
	Reconciliation of the Statement of Net Position of Proprietary Funds to the Government-Wide Statement of Net Position	32
	Statement of Revenues, Expenses and Changes in Fund Net Position	34
	Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position of Proprietary Funds to the Government-wide Statement of Activities	35
	Statement of Cash Flows	36
	Fiduciary Fund Financial Statements	
	Statement of Net Position	38
	Statement of Changes in Net Position	39
	Notes to Basic Financial Statements	41
	C. REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
	General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	85
	Adjustments to Revenues, Expenditures and Other Financing Uses from GAAP Basis to Budgetary Basis	86
	Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios	87
	Texas Municipal Retirement System Schedule of Contributions	88
	Retirement Security Plan Schedule of Changes in Net Pension (Asset)/Liability and Related Ratios	89
	Retirement Security Plan Schedule of Contributions	90
	Other Post Employment Benefits 115 Trust Schedule of Changes in Net Pension Liability and Related Ratios	91
	Other Post Employment Benefits 115 Trust Schedule of Contributions	92

Page

D. COMBINING FINANCIAL STATEMENTS

Nonmajor Governmental Funds
Combining Balance Sheet 96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 100

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund 105

Nonmajor Enterprise Funds
Combining Statement of Net Position 108
Combining Statement of Revenues, Expenses and Changes in Fund Net Position 109
Combining Statement of Cash Flows 110

Internal Service Funds
Combining Statement of Net Position 114
Combining Statement of Revenues, Expenses and Changes in Fund Net Position 116
Combining Statement of Cash Flows 118

Fiduciary Funds
Combining Statement of Net Position – Pension and Other Postemployment Benefits Trust Funds 124
Combining Statement of Changes in Net Position – Pension and Other Postemployment Benefits Trust Funds 125
Combining Statement of Assets and Liabilities – Agency Funds 126
Combining Statement of Changes in Assets and Liabilities – Agency Funds 127

Discretely Presented Component Unit
Statement of Net Position 130
Statement of Revenues, Expenses and Changes in Net Position 131
Statement of Cash Flows 132

III. STATISTICAL SECTION (UNAUDITED)

Statistical Section Table of Contents 135
Net Position – Table 1 136
Changes in Net Position – Table 2 137
Fund Balances, Governmental Funds – Table 3 139
Changes in Fund Balances, Governmental Funds – Table 4 140
Assessed Value and Estimated Actual Value of Taxable Property – Table 5 142
Property Tax Rates – All Direct and Overlapping Governments – Table 6 143
Principal Taxpayers – Table 7 144
Property Tax Levies and Collections – Table 8 145
Ratio of Outstanding Debt by Type – Table 9 146
Ratio of General Bonded Debt Outstanding – Table 10 147
Computation of Direct and Overlapping Debt – Table 11 148
Computation of Legal Debt Margin – Table 12 149
Schedule of Revenue Bond Coverage – Water and Sewer Bonds – Table 13 150
Schedule of Revenue Bond Coverage – Municipal Drainage Bonds – Table 14 151
Demographic and Economic Statistics – Table 15 152
Principal Employers – Table 16 153
Full-Time Equivalent City Government Employees by Function – Table 17 154
Operating Indicators by Function/Program – Table 18 155
Capital Asset Statistics by Function/Program – Table 19 157

INTRODUCTORY SECTION

FOR FISCAL YEAR ENDED

SEPTEMBER 30, 2018

CITY OF PLANO, TEXAS

Plano
City of Excellence

Plano
City of Excellence

City of Plano
1520 K Avenue
Plano, TX 75074

P.O. Box 860358
Plano, TX 75086-0358
Tel: 972.941.7000
plano.gov

January 3, 2019

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Plano, Texas:

The Comprehensive Annual Financial Report (CAFR) of the City of Plano, Texas (the City or Plano), for the year ended September 30, 2018, is submitted in accordance with Section 3.14 in the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose.

Weaver and Tidwell, L.L.P. has issued an unmodified (clean) opinion on the City's financial statements for the year ended September 30, 2018. The independent auditors' report is located in the beginning of the financial section of the CAFR.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements.

City of Plano Profile

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.1 square miles of land in the City's boundary.

The City was incorporated on June 2, 1873, under the provisions of H.B. 901 of the Texas Legislature. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the Deputy City Managers and heads of departments, and the performance of functions within the municipal organization.

Financial reporting of the entity (the government) includes all the funds of the primary government (i.e., the City of Plano as legally defined, in addition to three blended component units as discussed in the accompanying footnotes), as well as the Tax Increment Financing District, a discretely presented component unit. Discretely presented component units are legally separate entities and are not part of the primary government's operations. The government provides a full range of services including police and fire protection, environmental health, sanitation services, community development, building inspection, traffic control, parks and libraries, the construction and operation of water, sewer, drainage, sustainability and environmental waste services, streets and infrastructure, and convention, tourism, and cultural events. The Plano Housing Authority, a related organization, is not a part of this report as the City's accountability does not extend beyond making the appointments of the Plano Housing Authority Board.

Harry LaRosiliere *Mayor* | **Ron Kelley** *Mayor Pro Tem* | **Angela Miner** *Deputy Mayor Pro Tem* | **Anthony Ricciardelli** *Place 2* | **Rick Grady** *Place 3* | **Kayci Prince** *Place 4* | **Tom Harrison** *Place 7* | **Rick Smith** *Place 8* | **Bruce D. Glasscock** *City Manager*

Local Economy

Plano is a community that offers exceptional housing, award-winning schools and a dynamic business climate, all of which are strong factors in the success of the City's economy. The City continues to benefit from other favorable conditions associated with Plano including a stable, diverse economic base and a desirable location for work and living.

Since 2015, Plano's population grew an estimated 3.3% to 282,700 in 2018. According to residential development projections by the City's planning department, it is projected to grow to 292,900 by 2028 and to 300,000 by 2038.

According to the *U.S. Census Bureau*, the median household income of Plano is $85,085.

Plano is ranked #1 for Best Places to Live according to *Area Vibes*. Cities were ranked based upon amenities, cost of living, crime, education, employment, housing and weather.

WalletHub ranks Plano 5th in their "2018's Happiest Cities in America". According to *WalletHub,* their data team drew upon the various findings of positive-psychology research in order to determine which among 180 of the largest U.S. cities is home to the happiest people in America.

Southern Business and Development Magazine ranks Plano the #1 "Best Place in the South to Relocate Your Headquarters".

Niche.com ranks Plano the Best City to Buy a House in America in 2018. This ranking takes into account key factors of a location's housing market, including home values, taxes, crime rates, and quality of local schools.

Business Insider names Plano as the 2nd Most Affordable City in the US for Early Retirement. The criteria they considered were Plano's low housing costs relative to local income and Texas being a tax-friendly retirement state.

Niche.com ranks Plano #2 in "2018 Cities with the Best Public Schools".

According to the *TheStreet.com*, the American College of Sports Medicine ranks U.S. cities every year on the health of residents and how well the community environment supports better health. This annual Fitness Index report lists Plano as the #1 Healthiest City in Texas.

Wallethub ranks Plano as the 6th Best Place to find a job, comparing 180 U.S. cities across 26 key indicators of job-market strength. These factors range from job opportunities to employment growth to monthly average starting salary.

Militarytimes.com lists Plano as one of the Best Places for Veterans to live. This ranking takes into consideration veteran and military culture and services, economic indicators, and livability factors such as crime, health, school quality and traffic.

Niche.com ranks Plano the 9th Safest City in America, taking into account crime rates as well as resident reviews.

Niche.com ranks Plano as the 3rd Best Place to Raise a Family, comparing the 228 most populated U.S. cities across key factors such as: quality of local schools, safety, affordability and access to family amenities.

Plano remains one of only a few cities in the United States receiving an "AAA" bond rating, the highest possible bond rating from Moody's Investor Service, Standard & Poor's and Fitch, Inc. In issuing their ratings, they praised the City for its stable financial position driven by conservative budgeting as well as its large and diverse tax base and strong management practices.

Given Plano's continued pro-business attitude and enthusiastic accommodation of industry, the City continues to prosper economically. The following categories represent key factors that impact Plano's economic and financial success:

Property Tax Revenues

Property tax revenues are the City's largest source of funding. According to the Collin County and Denton County Appraisal Districts, the original certified property appraisals increased 13.7% for fiscal year 2018, with 30% of the increase coming from new property. This increase in values allowed for a one-cent decrease in the tax rate from 47.86 cents to 46.86 cents. Tax collections for fiscal year 2018 totaled $178.0 million, an increase of 10.2% from the prior year.

Sales Tax Revenues

After property tax revenues, the General Fund's second largest revenue source is sales tax generated from a variety of businesses operating in the City. Sales tax collections are produced primarily from Plano's sizeable retail base, which includes numerous retail store facilities, Historic Downtown Plano with Dallas Area Rapid Transit (DART) light rail access, as well as hundreds of other specialty shops and major retailers.

Sales tax allocations to the City totaled $85.6 million from October 2017 through September 2018, an increase of 5.0% compared to fiscal year 2017.

Employment

A strong business atmosphere, coupled with a highly educated and motivated workforce, continue to draw diverse companies to relocate to Plano. The four largest job industries are trade, transportation, and utilities; professional and business services; education and health services and government. According to the U.S. Census Bureau, 55.6% of Plano residents have a bachelor's degree or higher. The unemployment rate in Plano for fiscal year 2018 remained at 3.2 percent.

Plano's large businesses, employing 1,000+, include: Bank of America Home Loans, Capital One Finance, DXC Technology, Dr. Pepper Keurig, Ericsson, FedEx Office, Frito-Lay, J.C. Penney, Liberty Mutual Insurance Co., Medical Center of Plano, Nokia, NTT DATA, PepsiCo, Texas Health Presbyterian Hospital, JP Morgan Chase, Plano Toyota Motor North America, and McAfee. Employing 500-999, companies having significant operations in Plano include: AT&T, Baylor Scott & White Medical Center – Plano, Children's Health Plano, CROSSMARK, CVE Technologies Group, nThrive, Pizza Hut, U.S. Raytheon, Rent-A-Center, The Heart Hospital Baylor Plano, Cigna, Abbott, and Tyler Technologies. This type of environment creates a broad range of employment opportunities for Plano and area residents and creates a significant business component to the local tax base.

Job Growth

In fiscal year 2018, the following businesses announced relocation and expansion:

Samsung Electronics America, South Korea's largest electronics company, will bring over 1,000 jobs to Legacy Central, located on 6625 Declaration Drive. Legacy Central, previously the campus for Texas Instruments, was redeveloped into an 85-acre technology oriented mixed-used development. Samsung will occupy 216,000 square feet and anticipates moving in by the first quarter of 2019.

WorldVentures, a travel membership services company, expanded its headquarters located at 5100 Tennyson Parkway by signing an additional 25,000-square-foot lease at 5160 Tennyson Parkway. Combined, the company will occupy 125,000 square feet with the ability to add 150 employees to its existing staff of over 700.

General Dynamics Mission Systems, a Virginia-based aerospace and defense company, relocated its operation in March to a 104,000-square-foot facility located at 1000 Klein Road. Expected to bring 260 jobs, the company will have positions in the manufacturing, engineering, testing and administrative fields.

Varsity Spirit, a Memphis-based cheerleading and dance uniform manufacturing company, moved into a 78,000-square-foot facility located at 640 Shiloh Road. In Plano since March, the company will have 165 employees.

Wipro, an information technology company, opened its 45,000-square-foot Texas Technology Center, with a focus on new and emerging technologies. The facility, which opened in March, is located at 5445 Legacy Drive and will have at least 150 employees.

Peloton, a fitness equipment manufacturing company, opened its regional operations in Legacy Central, located at 6600 Chase Oaks Boulevard. Occupying over 27,000 square feet, this location houses over 400 employees and is the only support center outside of its headquarters in New York City. The company held a grand opening in October.

Roland Technology Group/The 20, signed a joint lease at Legacy Central in February, totaling 23,000 square feet, to house over 130 employees at 6600 Chase Oaks Boulevard. Roland Technology Group provides IT support services and The 20 provides business development services to the IT industry.

Connexions Loyalty, a provider of loyalty programs, expanded its operations to accommodate plans to add 70 technology professionals by the end of the year. Located on 5160 Tennyson Parkway, the company occupies over 17,000 square feet.

BRP, a Canada-based power sports vehicle manufacturer, opened its North American headquarters at 7300 Dallas Parkway. Occupying over 16,700 square feet, this location is the first and only office in the United States. The company anticipates adding over 100 employees by 2019.

Critical Start, a Plano-based cybersecurity services company, has expanded and moved its headquarters into 15,000 square feet at 6851 Communications Parkway. The new location, five times larger than their previous office, will house over 120 employees.

Long-Term Financial Planning

Long-term planning and reacting prudently to changing economic conditions remain key in maintaining the City's fiscal health. Economic forecasts for Plano and the North Texas region remain highly favorable; however, Plano faces a shrinking supply of undeveloped land and economic uncertainties at both the regional and national level, which remain factors taken into account when planning for the city's financial future.

Across all of Plano's operating funds in fiscal year 2019, appropriations equal $578.4 million, a $24.0 million or 4.3% increase from the fiscal year 2018 final budget. Projected at $304.4 million in fiscal year 2019, General Fund revenues are expected to increase $12.1 million from the fiscal year 2018 final budget, while fiscal year 2019 General Fund appropriations are set at $317.3 million, which is an increase of $8.8 million from the fiscal year 2018 final budget.

Resources have been diligently set aside on a pay-go basis for renovating, repairing and replacing existing infrastructure via the Capital Maintenance Fund, which has been a highlighted factor in maintaining the City's

AAA bond ratings. Capital Maintenance funding for fiscal year 2019 will be primarily supported by transfers of $30.3 million from the General Fund, $2.0 million from the Water and Sewer Fund, $1.3 million from the Convention & Tourism Fund and $500 thousand from the Municipal Drainage Fund.

The City of Plano will use bond authority approved by voters in May 2013 and May 2017 for the fiscal year 2019 Community Investment Program. Of the $106.1 million budgeted for General Obligation capital expenditures in fiscal year 2018, $64.9 million is for street improvements, $31.5 million is dedicated for park improvements and recreation center projects, $5.2 million for expansions at two Plano branch libraries and $4.5 million for improvements to public infrastructure to support economic redevelopment.

Budgetary impacts are minimized by setting aside resources to purchase equipment and replace existing equipment which has reached the end of its useful life with the Equipment Replacement Fund. The fund collects regularly scheduled depreciation charges from City departments possessing vehicles and capital equipment, and then uses those funds for future purchases of new equipment on an as needed basis. In fiscal year 2019, the Equipment Replacement Fund's projected revenues total $15.1 million, with depreciation charges of over $10.3 million as the primary source of revenue. The fund is also expected to collect $509 thousand from the auction of City equipment and $175 thousand from interest earned on the fund's available balance.

The City has programed a General Obligation bond sale of $64.0 million, and a Municipal Drainage Revenue bond sale of $6.3 million to support capital projects in fiscal year 2019. The General Obligation sale will fund numerous street improvements, the continued development and renovation of Plano's park system, renovations and additions to recreation and library facilities and public infrastructure improvements. Municipal Drainage revenue bond sales will fund utility infrastructure construction and rehabilitation for Plano's municipal drainage utility system, chiefly drainage improvements and erosion control projects. Current plans call for the City of Plano to seek additional General Obligation authority of $40+ million in May 2019 to undertake street, park and facility maintenance projects that were originally planned for the Capital Maintenance Fund. The rising cost of construction in the Dallas-Fort Worth area and the continued aging of existing assets has warranted the consideration of debt for maintenance and restoration projects with long term life expectancies.

On November 1, 2018 billing for water use was increased by 5.0% to help pay for a 5.0% increase in water related fees passed down from the North Texas Municipal Water District (NTMWD), Plano's water supplier. The NTMWD has raised rates 167% since 2010. In a continuing effort to minimize the overall effect of the increase, the City of Plano hired a water and sewer rate consultant in order to plan both short-term and long-term water and sewer rates to ensure sustainability of the water and sewer utility fund. The Plano City Council attempted to absorb the additional charges from NTMWD initially, but has since had to raise rates to both residents and non-residents to offset the increases. Plano City Council deemed it necessary to raise water and sewer rates for both residential and non-residential customers by variable rates depending on volumetric usage.

Relevant Financial Policies

Financial Policies. The City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, investing, cash management and fund balance/reserve levels. The City Council adopted these policies and on a periodic basis, the financial policies are reviewed and updated.

Accounting Procedures and Budgetary Controls. The City's accounting records for governmental funds are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff and expenditure estimates by each City department. Budgets are reviewed by the Budget Committee which consists of the City Manager, Deputy City Managers, Director of Budget, Director of Finance, and Director of Human Resources. The City Manager makes final decisions and submits a recommended budget, or "Program of Service," to the City Council. The proposed budget is reviewed extensively by the City Council, a process that includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget by no later than September 15 of each fiscal year.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Budget Committee and the City Council concurrent with review of the proposed budget. (The "re-estimated" current year budget is used as a working budget for the last half of the current fiscal year.) This re-estimated budget, or final budget, may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Budget Committee. Monthly departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget and Research Department prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Budget. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

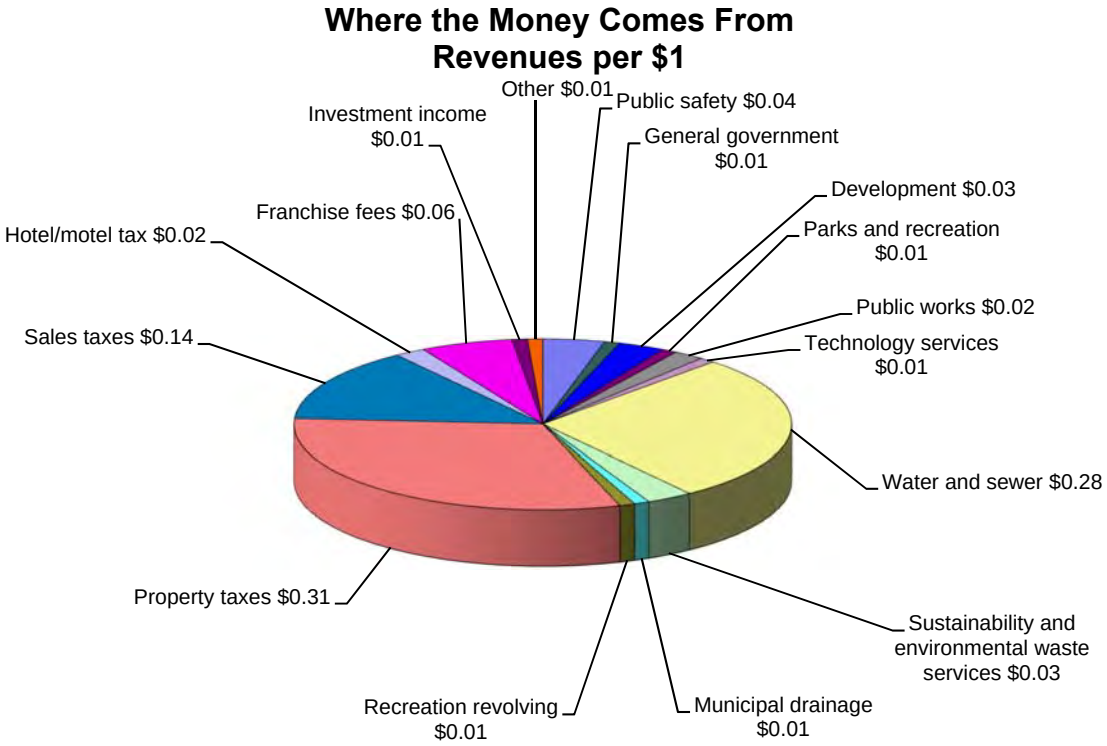
The City's Finance Department publishes a Comprehensive Monthly Financial Report (CMFR) directed at providing internal and external users with a general awareness of the City's financial positions and economic activity. The CMFR includes a Financial Summary section reporting the performances of the major operating funds, an Economic Analysis section summarizing key economic indicators and an in-depth review with graphic illustrations, and an Investment Report section describing investment activity, interest earnings and the City's portfolio. The CMFR is presented quarterly to the City Council.

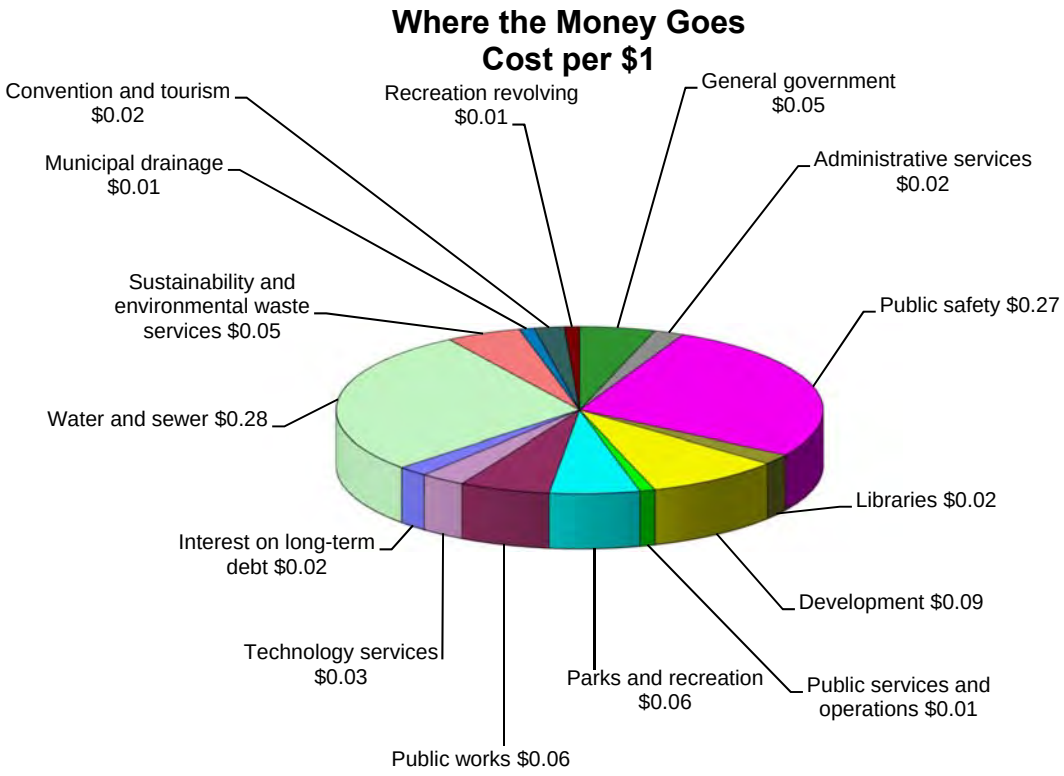
Major Initiatives

The fiscal year 2019 Community Investment Program (CIP) will continue to reflect the City's commitment to enhancing and maintaining its infrastructure. Major facility projects from the fiscal year 2018 CIP included the majority of renovations to the Fire Station No. 1 and Fire Administration complex, the initial construction of an expansion to the Sam Johnson Recreation Center for Adults 50+ (formerly Plano Senior Recreation Center), and significant design work for the construction of a police substation and renovations at a recreation and tennis center facilities. Plano's park and recreation system saw $19.8 million in expenditures to improve parks and recreation centers, connect trails and obtain land for future park development, with the largest expenditure being the completion of the renovation of the south side of Carpenter Park in central Plano. Numerous major street projects were undertaken in fiscal year 2018, with a total of $26.8 million spent to improve intersections, collector and residential streets, screening walls, sidewalks and alleys. Major sewer projects in fiscal year 2018 included completion of a lift station and force main to improve sanitary sewer capacity in northwest Plano, and ongoing inflow and infiltration repairs throughout Plano's sanitary sewer system to prevent sewer overflows. These projects accounted for the majority of the $5.2 million spent in fiscal year 2018 on sanitary sewer improvements. Water improvement projects totaled more than $5.7 million, with the largest being the Plano East 1 Water Rehabilitation and Belleview & Ranch Estates Water Rehabilitation projects. Finally, nearly $41.5 million was invested through the Capital Maintenance Fund in repairs, renovations and rehabilitation projects for City streets, facilities, and park assets with the goal of extending the useful life of those assets.

Plano also budgeted $8.5 million for economic development incentives for fiscal year 2019 so that it remains competitive with surrounding neighboring cities. Fiscal year 2018 was the 12th year that two-cents from Plano's property tax rate was devoted for these incentives. The Economic Development Incentive fund is used to attract and retain major business and employees to the City.

The following charts depict the sources and uses of the City's financial breakout as of fiscal year-end 2018:





Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last 37 consecutive years (fiscal years ended 1981-2017). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,

Bruce D. Glasscock
CITY MANAGER

Denise Tacke, CPA
DIRECTOR OF FINANCE

Allison Friloux
CONTROLLER

Plano
City of Excellence

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Plano

Texas

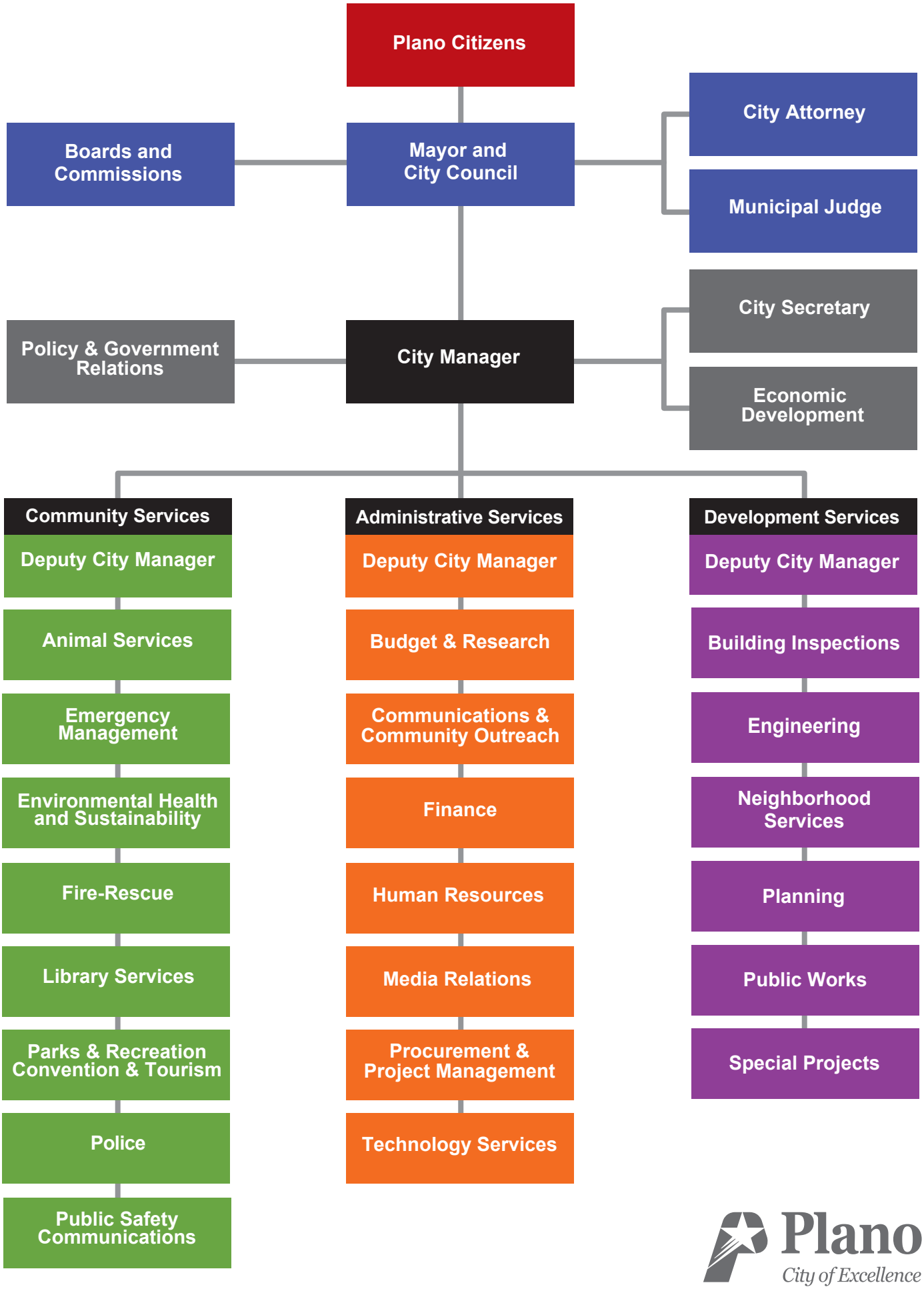
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF PLANO
ORGANIZATION CHART



Plano
City of Excellence

CITY OF PLANO, TEXAS

ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

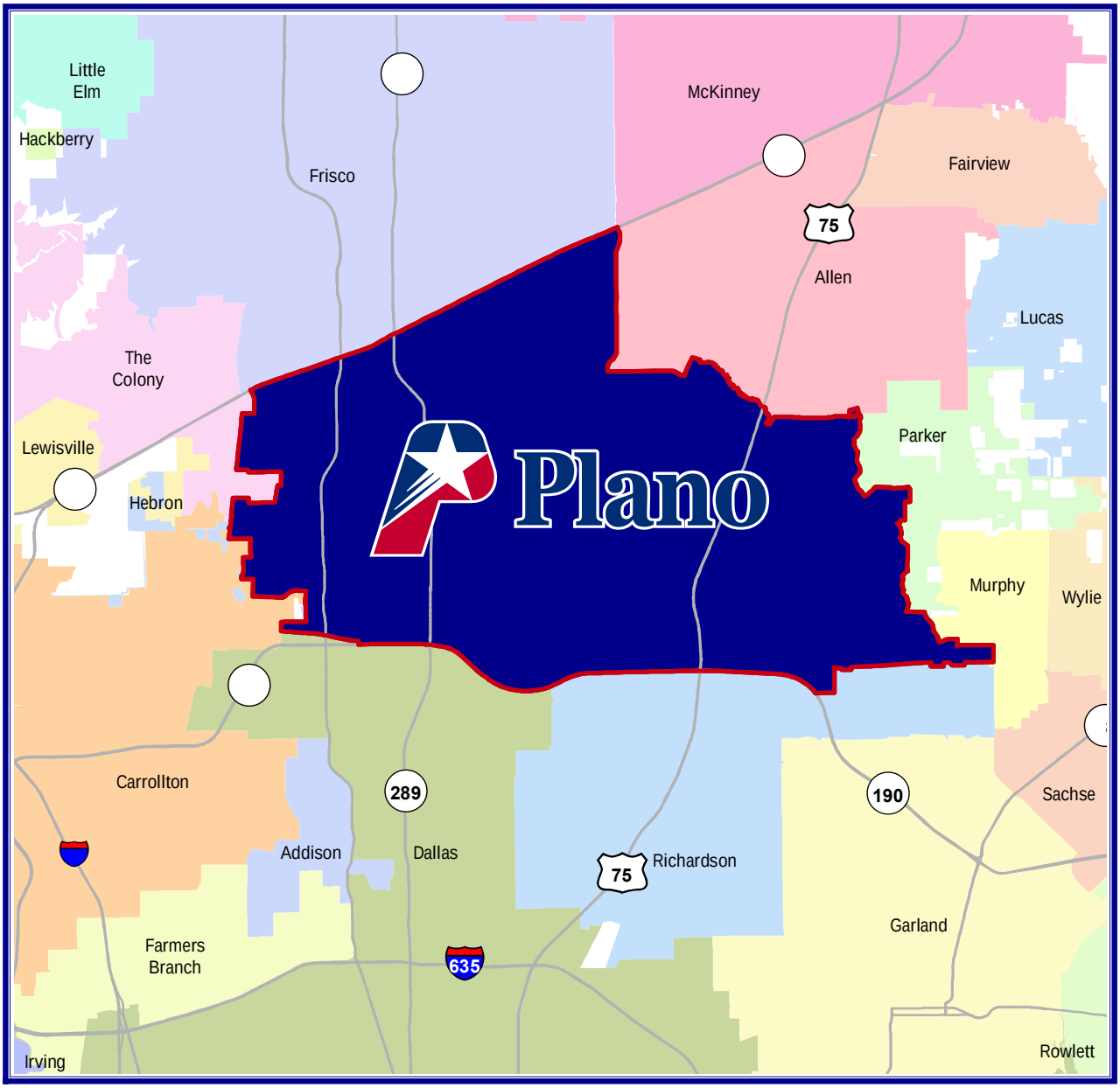
Elected Officials

City Council	Term Expires
Harry LaRosiliere Mayor Place 6	May 2021
Ron Kelley Mayor Pro Tem Place 5	May 2019
Angela Miner Deputy Mayor Pro Tem Place1	May 2019
Anthony Ricciardelli Place 2	May 2021
Rick Grady Place 3	May 2019
Kayci Prince Place 4	May 2021
Tom Harrison Place 7	May 2019
Rick Smith Place 8	May 2021

Administrative Officers

Name	Position
Bruce D. Glasscock	City Manager
Denise Tacke, CPA	Director of Finance
Allison Friloux	Controller

The City of Plano and Surrounding Areas



FINANCIAL SECTION

FOR FISCAL YEAR ENDED

SEPTEMBER 30, 2018

CITY OF PLANO, TEXAS

Plano
City of Excellence

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I.C. to the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Beginning net position has been restated to reflect the change in accounting principle resulting from this statement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2019

Plano
City of Excellence

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR FISCAL YEAR ENDED

SEPTEMBER 30, 2018

CITY OF PLANO, TEXAS

Plano
City of Excellence

CITY OF PLANO, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2018

(unaudited)

Our discussion and analysis of the City's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $1.5 billion (net position). Of this amount, $1.2 billion (81.6 percent) is net investment in capital assets. The amount of net position restricted for a specific purpose is $57.6 million (3.9 percent). The remaining $215.1 million (14.5 percent) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.

- The City's total net position increased by $57.7 million. Property tax revenues are higher over prior year by $18.2 million as a result of higher assessed property values in the current year. For fiscal year 2019, the total appraised value will include an increase in new property coming on-line of $1.5 billion while existing property values are expected to increase by $2.2 billion. Sales tax revenues increased over prior year by $4.0 million partially due to the State of Texas Tax Amnesty Program, which allows for payment of delinquent sales tax without further penalty. Hotel/Motel tax revenues are higher over prior year by $524 thousand primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by $25.9 million attributable to increased water and sewer rates implemented November 1, 2017 in addition to increased consumption during the summer months. Economic Development Incentive fund expenditures are higher over prior year by $11.0 million. The increase is attributed to payments made for incentive obligations which stimulate economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $327.6 million, an increase of $23.1 million in comparison with the prior year. Within this total, $139.2 million (42.5 percent) is restricted by specific legal requirements and $139.0 million (42.4 percent) has been committed and assigned to specific types of expenditures. Unassigned fund balance is $46.0 million (14.1 percent) and can be used for any lawful purpose. The remaining $3.4 million (1.0 percent) is nonspendable.

- The City's total debt increased by $58.2 million primarily due to issuance in the current year of general obligation debt and waterworks and sewer system revenue bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The Statement of Net Position presents

information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term obligations of governmental and business-type funds. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.).

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

In the Statement of Net Position and the Statement of Activities, the City is divided into three types of activities:

- Governmental activities – Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, parks and recreation, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities. Additionally, the City has three blended component units that are detailed in the accompanying footnotes.

- Business-type activities – The City charges a fee to customers in order to cover all or most of the cost of certain services the City provides. The City's water and sewer system, sustainability and environmental waste system, municipal drainage system, convention and tourism, municipal golf course, recreation revolving and downtown center development are reported as business-type activities.

- Component unit – The City includes one separate legal entity in its report – Tax Increment Financing District (TIF) East Side. Although legally separate, the City is financially accountable for the TIF.

The government-wide financial statements can be found on pages 19-21 of this report.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

  Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the

governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital maintenance fund, street improvements fund, municipal facilities fund, park improvements fund and economic development incentive fund, all of which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22-28.

- **Proprietary funds**. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, sustainability and environmental waste services, municipal drainage, convention and tourism, golf course, recreation revolving centers and downtown development. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management, employee health and disability programs, municipal warehouse and its information systems. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

  Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains seven individual enterprise funds. The proprietary fund financial statements provide separate information for the water and sewer, sustainability and environmental waste services and municipal drainage functions, as they are considered major funds. Data from the remaining four enterprise funds are combined into a single, aggregated presentation, as other Enterprise Funds. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

  The basic proprietary fund financial statements can be found on pages 30-37 of this report.

- **Fiduciary funds**. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

  The basic fiduciary fund financial statements can be found on pages 38 and 39 of this report.

- **Notes to the financial statements**. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

  The notes to the financial statements can be found on pages 41-83 of this report.

- **Other information**. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the general fund's budget

to actual performance and the City's progress in funding its obligation to provide pension and health benefits to its employees and retirees.
The required supplementary information can be found on pages 85-92 of this report.

The combining statements referred to earlier in connection with nonmajor governmental, nonmajor enterprise, internal service, agency, and component unit funds can be found on pages 93-133 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position was $1.5 billion as of September 30, 2018. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

By far the largest portion of the City's net position (81.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Table 1
Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	$ 446,399	$ 422,668	$ 143,257	$ 124,142	$ 589,656	$ 546,810
Capital assets	1,142,671	1,084,471	422,337	417,985	1,565,008	1,502,456
Total assets	1,589,070	1,507,139	565,594	542,127	2,154,664	2,049,266
Deferred outflows	38,659	73,775	4,606	8,114	43,265	81,889
Noncurrent liabilities	529,189	531,498	69,726	65,166	598,915	596,664
Other liabilities	36,367	30,403	18,897	19,606	55,264	50,009
Total liabilities	565,556	561,901	88,623	84,772	654,179	646,673
Deferred inflows	54,468	4,608	7,074	554	61,542	5,162
Net position:						
Invested in capital assets, net of related debt	831,253	790,688	378,270	377,622	1,209,523	1,168,310
Restricted	53,021	59,810	4,592	6,107	57,613	65,917
Unrestricted	123,431	163,907	91,641	81,186	215,072	245,093
Total net position	$ 1,007,705	$ 1,014,405	$ 474,503	$ 464,915	$ 1,482,208	$ 1,479,320

An additional portion of the City's net position (3.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (14.5 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true to the prior fiscal year.

The City's net position increased by $57.7 million during the current fiscal year. Property tax revenues are higher over prior year by $18.2 million as a result of higher assessed property values in the current year and new property coming on-line. For fiscal year 2019, the total appraised value will include an increase in new property coming on-line of $1.5 billion while existing property values are expected to increase by $2.2 billion. Sales tax revenues increased over prior year by $4.0 million partially due to the State of Texas Tax Amnesty Program, which allows for payment of delinquent sales tax without further penalty. Hotel/Motel tax revenues are higher over prior year by $524 thousand primarily due to the addition of new hotels in the current year resulting in higher occupancy rates.

Water and sewer service charges are higher over prior year by $25.9 million attributable to increased water and sewer rates implemented November 1, 2017 in addition to increased consumption during the summer months. This increase in revenue is offset by an increase in wastewater treatment and water supply expense of $7.9 million due to increased contractual payments to North Texas Municipal Water District (NTMWD). Economic Development Incentive fund expenditures are higher over prior year by $11.0 million. The increase is attributed to payments made for incentive obligations which stimulate economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.

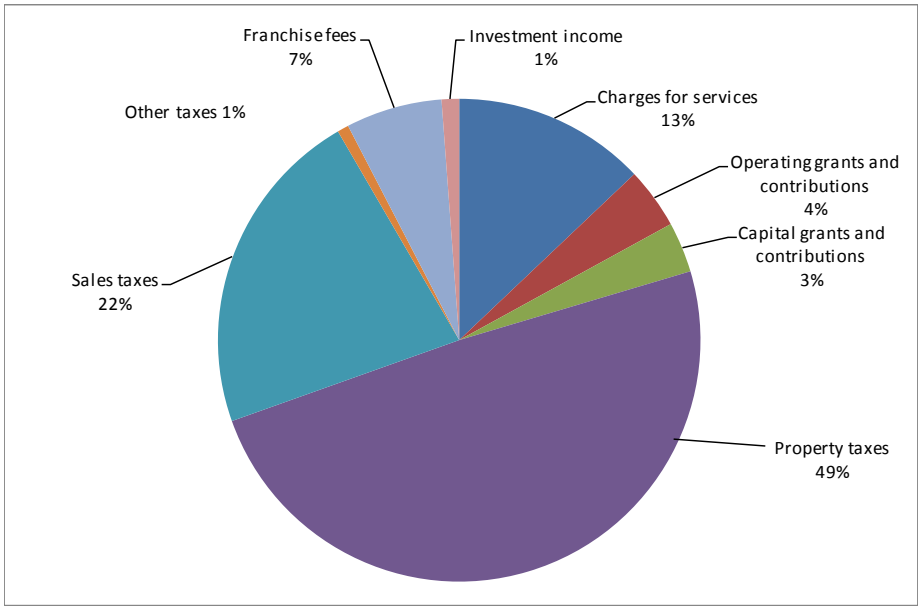
Governmental Activities

Governmental activities increased the City's net position by $43.4 million. Key elements of this increase are as follows (Table 2):

Table 2
Change in Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	$ 50,303	$ 54,350	$ 202,699	$ 176,157	$ 253,002	$ 230,507
Operating grants and contributions	15,901	12,736	-	-	15,901	12,736
Capital grants and contributions	13,150	12,042	4,444	7,779	17,594	19,821
General revenues:						
Property taxes	191,237	173,005	-	-	191,237	173,005
Sales taxes	85,790	81,795	-	-	85,790	81,795
Other taxes	2,967	2,263	9,209	8,685	12,176	10,948
Franchise fees	25,088	24,553	8,631	8,754	33,719	33,307
Investment income	4,548	3,019	797	454	5,345	3,473
Total revenues	388,984	363,763	225,780	201,829	614,764	565,592
Expenses:						
General government	26,305	27,353	-	-	26,305	27,353
Administrative services	11,465	11,730	-	-	11,465	11,730
Police	90,322	88,408	-	-	90,322	88,408
Fire	61,043	63,105	-	-	61,043	63,105
Libraries	11,436	12,381	-	-	11,436	12,381
Development	47,861	38,018	-	-	47,861	38,018
Public services and operations	7,972	8,350	-	-	7,972	8,350
Parks and recreation	33,855	36,070	-	-	33,855	36,070
Public works	35,969	33,752	-	-	35,969	33,752
Technology services	19,216	18,193	-	-	19,216	18,193
Other	-	-	-	-	-	-
Interest on long-term debt	12,725	10,897	-	-	12,725	10,897
Water and sewer	-	-	153,118	144,380	153,118	144,380
Sustainability and environmental waste services	-	-	26,932	26,767	26,932	26,767
Municipal drainage	-	-	5,308	4,978	5,308	4,978
Convention and tourism	-	-	8,937	8,662	8,937	8,662
Municipal golf course	-	-	1,174	1,221	1,174	1,221
Recreation revolving	-	-	3,433	3,574	3,433	3,574
Downtown center development	-	-	27	17	27	17
Total expenses	358,169	348,257	198,929	189,599	557,098	537,856
Increase in net position before transfers	30,815	15,506	26,851	12,230	57,666	27,736
Transfers	12,560	13,573	(12,560)	(13,573)	-	-
Increase (decrease) in net position	43,375	29,079	14,291	(1,343)	57,666	27,736
Net position – October 1	-	985,326	-	466,258	-	1,451,584
Net position – October 1, as adjusted (Footnote I.C.)	964,330	-	460,212	-	1,424,542	-
Net position – September 30	$ 1,007,705	$ 1,014,405	$ 474,503	$ 464,915	$ 1,482,208	$ 1,479,320

Revenues by Source – Governmental Activities



Program revenues were $79.4 million, compared to $79.1 million in fiscal year 2017. The breakdown of the increase is as follows:

- Charges for services for governmental activities decreased $4.0 million. General government charges for services decreased over prior year by $3.2 million primarily due to insurance receipts received in the prior year as the result of a severe storm in 2017. Development charges for services decreased $1.7 million as building permit revenues declined due to higher valued permits issued for corporations relocating to Plano in the prior fiscal year.

- Operating grants and contributions increased $3.2 million primarily due to Economic Development Incentive fund revenues being higher over prior year by $928 thousand. This revenue is generated as a transfer from the general fund and is two-cents of the property tax rate dedicated for incentives. The Fire department also received increased reimbursement over prior year of $511 thousand for deployments. Additionally, the City provided additional Resource Officers at Plano Independent School District facilities in the current fiscal year increasing revenue $493 thousand.

- Capital grants increased $1.1 million primarily due to increased contributions of $7.6 million from external agencies related to streets projects. However, this increase is offset by a decrease in developers' contributions of $7.0 million.

General revenues increased from $284.6 million in fiscal year 2017 to $309.6 million in fiscal year 2018. Property tax revenues increased by $18.2 million due to an increase in assessed valuations. For fiscal year 2019, the total appraised value will include an increase in new property coming on-line of $1.5 billion while existing property values are expected to increase by $2.2 billion.

Overall, governmental activities expenses were $358.2 million, an increase of $9.9 million over the prior year primarily as a result of Economic Development Incentive fund expenditures being higher over prior year by $11.0 million. The increase is attributed to payments made for incentive obligations, which stimulate economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.

Business-Type Activities

Revenues of the City's business-type activities were $225.8 million for the fiscal year ended September 30, 2018. Revenues increased approximately $24.0 million or 11.9 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased $9.3 million or 4.9 percent. The increase in net revenues is the result of several factors, including the following:

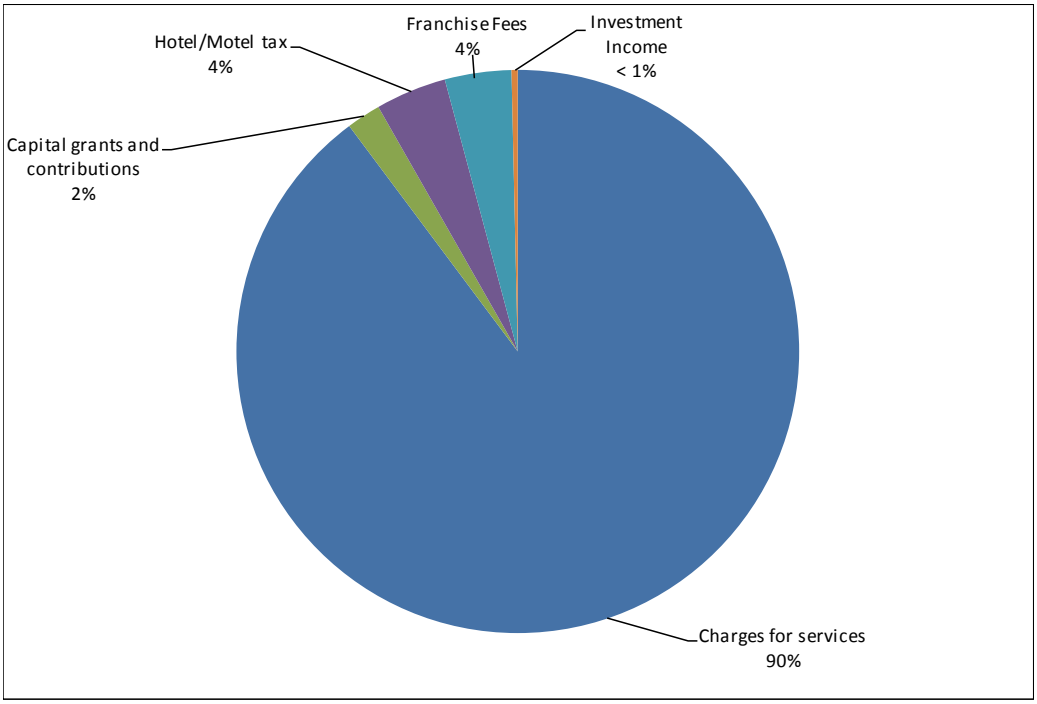
- The City's water and sewer system recorded charges for services of $169.9 million, an increase of $25.9 million or 18.0 percent from the prior year primarily attributable to increased water and sewer rates implemented November 1, 2017 in addition to increased consumption during the summer months. The increase in revenue is offset by an increase in expense of $8.7 million due to increased contractual payments to NTMWD as the result of a rate increase.

- The City's sustainability and environmental waste services activities operated with program expenses exceeding program revenues by $9.2 million compared to $8.9 million in fiscal year 2017. Franchise fee revenue decreased $122 thousand due to a change in the commercial franchise agreement.

- The City's municipal drainage activity operated with charges for services exceeding expenses by $2.3 million, compared to $2.6 million in the prior year. The municipal drainage system recorded charges for services of $7.6 million, which is comparable to the prior year as rates have remained constant.

- The City's convention and tourism activity operated with expenses exceeding charges for services by $6.2 million as compared to $6.8 million in the prior fiscal year. Charges for services are reported at $2.7 million, an increase of $859 thousand, due to renovations completed at Plano Event Center resulting in increased reservations.

Revenues by Source – Business-Type Activities

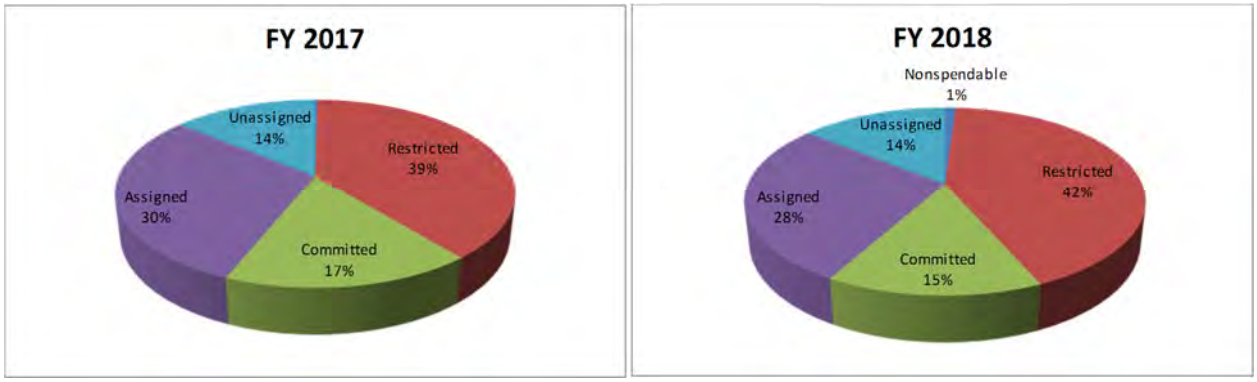


Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balances (unassigned, assigned, and committed) may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $327.6 million. Within this total $139.2 million is restricted by specific legal requirements, such as by debt covenants, and $139.0 million has been committed and assigned to specific types of expenditures. Unassigned fund balance is $46.0 million and can be used for any lawful purpose. The remaining $3.4 million is nonspendable.



The general fund is the chief operating fund of the City. The fund balance of the City's general fund increased by $578 thousand during the current fiscal year. Key factors in this increase are as follows:

- Expenditures increased $12.9 million primarily due to a 3% across the board pay increase for non-civil and civil service employees.

- The increases to expenditures are offset by increased revenue primarily related to higher property tax revenues of $12.9 million as a result of increased property valuations.

The debt service fund has a total fund balance of $6.6 million, all of which is restricted for the payment of debt service. The debt service fund increased by $2.1 million primarily because of increased property tax revenues.

The capital maintenance fund balance of $35.8 million is assigned for replacement and renewals of the City's infrastructure. The capital maintenance fund balance decreased $10.2 million from the prior year as the result of capital outlay expenditures of $41.5 million offset by $29.8 million of transfers in.

The street improvements fund has a total balance of $46.1 million, which has $31.5 million in restricted and $14.6 million in assigned fund balance. The street improvements fund balance decreased $1.4 million primarily due to expenditures of $26.9 million exceeding other financing sources related to debt issuance of $20.1 million.

The municipal facilities fund has a total balance of $42.1 million, which has $39.1 million in restricted and $3.0 million in assigned fund balance. The municipal facilities fund balance increased $17.3 million due to $27.7 million in other financing sources related to debt issuance exceeding net expenditures of $9.5 million.

The park improvements fund has a total fund balance of $48.8 million, which has $2.9 million in nonspendable, $18.9 million in restricted and $27.0 million in assigned fund balance. The park improvements fund balance increased over prior year $17.4 million due to $34.5 million in other financing sources related to debt issuance, as well as $830 thousand transfer from the Municipal Facilities Fund and a $1.0 million donation transferred from the Plano Improvement Corporation for construction of a new park. Net expenditures are reported at $18.9 million in the current year.

The economic development incentive fund balance of $48.2 million decreased over prior year by $3.9 million as a result of expenditures being higher over prior year by $11.0 million. The expenditure increase is attributed to payments made for incentive obligations which stimulate economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code. The portion of the fund balance obligated but unpaid for potential incentives on signed economic development agreements totals $19.8 million.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The City's Water and Sewer fund net position of $418.3 million increased by $12.7 million over the prior year. In the current fiscal year, total operating revenues are $169.5 million while operating expenses are $151.7 million. Revenue is higher primarily attributable to increased water and sewer rates implemented November 1, 2017 in addition to increased consumption during the summer months. Contractual payments to NTMWD are $103.8 million of the total operating expense and increased compared to prior year.

- The City's Sustainability and Environmental Waste Services fund net position of $365 thousand decreased by $1.1 million over the prior year. Total operating expenses are $27.7 million which exceed total operating revenues of $26.5 million.

- The City's Municipal Drainage fund net position increased over the prior year by $1.5 million. Drainage rates remained constant in fiscal year 2018 with revenues reported at $7.6 million and operating expenses and transfers out of $5.6 million.

General Fund Budgetary Highlights

During the current year, the actual expenditures on a budgetary basis were $277.0 million compared to the final budget amount of $281.9 million. Actual expenditures on a budgetary basis were $71 thousand lower than the original budget and $4.9 million lower as compared to the final budget. Decreases were due to continued prudent spending by the various departments, as well as salary savings.

For fiscal year 2018, the actual revenues on a budgetary basis were $290.7 million as compared to the final budget amount and original budget amount of $283.7 million and $282.4 million, respectively. The primary reason for the variance in actual revenue compared to the final budget relates to a $7.5 million overage in sales tax revenue. The City Council has capped the amount that can be budgeted for sales tax revenue based upon a rolling three-year average, which is $78.1 million. Sales tax in excess on this cap is used for one-time expenditures or a transfer to the Capital Maintenance Fund.

The City has an actual budgetary basis general fund balance of $47.1 million as of the fiscal year-end, compared to the final budget fund balance and original budget fund balance of $35.4 million and $38.8 million, respectively. The variance in fund balance is primarily due to the aforementioned variance in sales tax and continued prudent spending by the departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2018, the City had $1.6 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines (Table 3). This amount represents a net increase (including additions and deductions) of $62.6 million over the prior fiscal year.

Table 3
Capital Assets at Year-end
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	$ 153,331	$ 152,099	$ 6,771	$ 6,765	$ 160,102	$ 158,864
Buildings and improvements	261,145	215,935	369,957	356,601	631,102	572,536
Equipment	50,218	48,384	1,056	786	51,274	49,170
Construction in progress	51,974	61,821	5,800	20,768	57,774	82,589
Public art	1,768	1,762	50	-	1,818	1,762
Infrastructure	624,235	604,470	-	-	624,235	604,470
Drainage improvements	-	-	38,703	33,065	38,703	33,065
Totals	$ 1,142,671	$ 1,084,471	$ 422,337	$ 417,985	$ 1,565,008	$ 1,502,456

This year's major capital outlay additions for governmental capital projects included (in millions):

Renovations to Fire Station No. 1	$ 6.1
Construction of intersection improvements - Preston Road and Plano Parkway	3.3
Pavement maintenance	8.5
Expansion of the Sam Johnson Recreation Center	4.1
Renovation of Carpenter Recreation Center	4.2
Residential street and alley repair	4.8
Sidewalk repairs	3.6
Arterial concrete repairs	4.7
	$ 39.3

The City's fiscal year 2019 general obligation capital budget includes $106.1 million for capital projects, principally for four major categories: street improvements and enhancements, parks and recreation, municipal facilities and public infrastructure improvements. An additional $64.0 million in general obligation bond proceeds will be required to support the entire 2018-2019 general obligation capital investment program.

Street Improvements and Enhancements. The City plans to spend $64.9 million on street improvements and enhancements including $4.1 million for Park Boulevard corridor improvements, $3.2 million for 18th Street and Rigsbee Drive rehabilitation, $3.1 for Wood Park I and Dallas North Estates paving improvements, $3.1 million for screening walls at Independence, Legacy, Coit and Rainier Roads, $3.0 million for Dallas North Estates #2, $3.0 million for arterial concrete street reconstruction, $2.4 million for Legacy Drive corridor improvements, $2.3 million at Spring Creek north and south service roads, $2.3 million for Coit Road screening walls from Bonita to Malton, $2.0 million for intersection improvements at Preston Road and State Highway 190, $2.0 million City-wide signal retiming and $2.0 million at West Plano Estates and Hunters Glen Phase I. The remaining funds for street improvements are for a variety of projects.

Parks and Recreation. Estimated expenditures for parks and recreation facilities are $31.5 million including $5.5 million for Carpenter Park renovations phase II, $5.0 million for land acquisitions, $4.4 million at High Point Tennis Center, $4.2 million for artificial turf fields, $2.9 million for High Point Park maintenance facility, $2.5 million for Windhaven Meadows Park, $2.2 million for maintenance facilities work, $1.1 million for Liberty Recreation Center renovations, $1.5 million for Windhaven Meadows Park development, $1.1 million for Liberty Recreation Center renovations and $1.0 million for Carpenter Park renovations. The remaining funds for park improvements are for a variety of projects.

Municipal Facilities. Estimated expenditures for municipal facilities are $5.2 million including $4.6 million for the Davis Library expansion and $600 thousand for an expansion at Harrington Library.

Public Infrastructure Improvement. Estimated expenditures of $4.5 million are to improve publicly owned infrastructure that serves commercial areas, such as streets, utilities and open spaces, in coordination with private development and reinvestment in commercial properties. Funds are intended to improve older areas of Plano by enhancing existing infrastructure so further economic development becomes attractive to private firms and investors.

More detailed information about the City's capital asset activity is presented in Note 4 to the financial statements.

Debt

At year-end, the City had $468.0 million in bonds and tax anticipation notes outstanding as compared to $409.8 million at the end of the prior fiscal year, an increase of 14.2 percent – as shown in Table 4.

Table 4
Outstanding Debt at Year-end
(in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation bonds and tax anticipation notes (backed by the City)	$ 411,906	$ 363,534	$ -	$ -	$ 411,906	$ 363,534
Revenue bonds (backed by fee revenues)	-	-	56,065	46,217	56,065	46,217
Totals	$ 411,906	$ 363,534	$ 56,065	$ 46,217	$ 467,971	$ 409,751

During the current fiscal year, the City issued $77.9 million in new general obligation bonds. Additionally, the City issued $11.4 million in water and sewer revenue bonds in fiscal year 2018.

The City's general obligation bonds and tax notes continue to carry an "AAA" rating issued by Moody's Investor Service, Standard & Poor's and Fitch, Inc., the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000. The City's water and sewer revenue bonds carry an AAA rating, as assigned by two of the national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The City has claims and judgments of $7.3 million outstanding at year-end compared with $6.9 million at the end of the prior fiscal year. Claims and judgements of $4.8 million relate to property/liability losses while $2.5 million relate to health claims. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities and self-insurance is presented in Notes 6 and 11 to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

In addition to the economy, the City's elected and appointed officials address a variety of factors, departmental requests and public input when setting the budget and tax rates for fiscal year 2019. Within our strategic goal to deliver outstanding operational analysis and effectiveness, the City of Plano is committed to providing exceptional city services at the greatest possible value. This is reinforced by consistently offering one of the lowest tax rates in the region, which includes a tax rate reduction of 0.83 cents from 46.86 cents to 46.03 cents per $100 of assess property valuation. This is the third consecutive year the City Council has passed along a tax rate decrease. The 2018-19 Combined Budget solely includes enhancements to current services in response to continued growth in the City, which in turn places higher demands on service levels. No new programs are included in the adopted budget. The revenues available in 2018-19 as a result of increased property values presents the City an opportunity to increase funding to the City's Capital Maintenance Fund. This increase of funding is needed in order to offset escalating project construction costs and to continue the rehabilitation and maintenance of the city's aging infrastructure and facilities. If funding for this purpose is not increased and instead continues at this current level, Plano will face the difficult decision between delaying necessary projects to repair and maintain existing assets or increasing the use of debt to provide project funding.

In order to address rising construction costs and increased demands to maintain and renovate existing assets, a May 2019 bond referendum is currently under development. In this bond election, voters will decide whether or not to grant the City of Plano the ability to issue additional bonds for street maintenance, park maintenance and facility maintenance and renovation projects that were originally planned in the Capital Maintenance Fund with an expected life span of 20+ years.

The largest single revenue source in the fiscal year 2019 general fund Budget is property taxes, which account for 47.7% of total revenues. Assessed property values in Plano increased 9.4% from the prior year, including $1.5 billion in new property entering the tax roll for the first time. As mentioned, the 2018-19 Budget does include a 0.83 cent tax rate decrease from 46.86 cents to 46.03 cents per $100 of assessed property valuation in order to recognize taxpayers concerns over increasing assessed property values. Sales tax revenue remains the City's second largest revenue source, making up 26.0% of General Fund revenues.

The North Texas Municipal Water District (NTMWD) is projecting both water and sewer rate increases for 2018-19. Wholesale water purchased from the district is projected to increase by 5.0% per thousand gallons and is based on the full take-or-pay contract volume of 26.7 billion gallons. The increased costs are directly tied to payments for the NTMWD debt service associated with the pipeline that brings raw water from Lake Texoma to the Wylie treatment plant and the North Texas Municipal Lake (formerly known as Lower Bois d'Arc Creek Reservoir) project. With the expected increase from NTMWD in both water and sewer wholesale rates, the City of Plano remains committed to minimizing the financial impact to the citizen.

A wastewater rate increase will also be required to offset the $3.7 million in increased contract cost from NTMWD. The increase in the wastewater rate is to pay for increased NTMWD debt service costs along with requirements by the Environmental Protection Agency (EPA) for Capacity Management, Operations and Maintenance (CMOM).

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Accounting Office, at City of Plano, 1520 Avenue K, Suite 370, Plano, Texas 75074.

Plano
City of Excellence

BASIC FINANCIAL STATEMENTS

FOR FISCAL YEAR ENDED

SEPTEMBER 30, 2018

CITY OF PLANO, TEXAS

Plano
City of Excellence

CITY OF PLANO, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2018

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Cash and cash equivalents	$ 99,095,681	$ 20,358,413	$ 119,454,094	$ 2,451,232
Investments	322,764,145	62,408,487	385,172,632	8,101,354
Receivables (net of allowance for uncollectibles)	21,141,635	25,593,615	46,735,250	-
Internal balances	(14,327,194)	14,327,194	-	-
Due from other government	7,635,924	-	7,635,924	-
Inventories	1,200,248	279,956	1,480,204	-
Prepaids and other assets	3,843,568	3,408,871	7,252,439	-
Restricted assets:				
Cash and cash equivalents	-	3,790,412	3,790,412	-
Investments	-	12,479,776	12,479,776	-
Receivables	-	47,591	47,591	-
Net pension asset	5,045,229	562,232	5,607,461	-
Capital assets:				
Nondepreciable	207,072,824	12,620,595	219,693,419	3,180,296
Depreciable (net)	935,598,197	409,716,539	1,345,314,736	-
Total assets	1,589,070,257	565,593,681	2,154,663,938	13,732,882
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	28,633,405	3,823,592	32,456,997	-
Deferred outflows from other post employment benefits	3,144,024	510,542	3,654,566	-
Deferred charges on refunding	6,881,763	272,137	7,153,900	-
	38,659,192	4,606,271	43,265,463	-
LIABILITIES				
Accounts payable	5,764,377	7,241,104	13,005,481	2,700
Accrued liabilities	9,591,460	3,326,022	12,917,482	-
Accrued interest payable	1,518,951	845,867	2,364,818	-
Contracts payable	8,527,291	696,722	9,224,013	-
Customer deposits	-	3,974,203	3,974,203	-
Escrow liability	-	231,320	231,320	-
Unearned revenue	5,625,372	2,059,960	7,685,332	-
Due to other governments	2,651,209	-	2,651,209	-
Retainage payable	2,550,785	521,516	3,072,301	-
Seized assets payable	137,784	-	137,784	-
Noncurrent liabilities				
Due within one year:				
Compensated absences	4,907,767	525,383	5,433,150	-
Bonds and notes payable	35,292,194	3,743,545	39,035,739	-
Liability for insurance claims	7,319,554	-	7,319,554	-
Due in more than one year:				
Compensated absences	35,732,575	3,629,280	39,361,855	-
Bonds and notes payable	376,613,874	52,321,613	428,935,487	-
Net pension liability	58,972,098	7,825,536	66,797,634	-
Net other post employment benefit liability	10,350,804	1,680,818	12,031,622	-
Total liabilities	565,556,095	88,622,889	654,178,984	2,700
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	35,588,632	4,007,791	39,596,423	-
Deferred inflows from other post employment benefits	18,879,754	3,065,793	21,945,547	-
	54,468,386	7,073,584	61,541,970	-
NET POSITION				
Net investment in capital assets	831,253,007	378,270,126	1,209,523,133	3,180,296
Restricted for:				
Capital projects	4,547,109	-	4,547,109	-
Special revenue:				
Public safety	39,177,333	-	39,177,333	-
Public services and operations	1,880,193	-	1,880,193	-
Other	711,107	-	711,107	-
Component unit	133,637	-	133,637	10,549,886
Debt service	6,571,577	4,591,766	11,163,343	-
Unrestricted	123,431,005	91,641,587	215,072,592	-
Total net position	$ 1,007,704,968	$ 474,503,479	$ 1,482,208,447	$ 13,730,182

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	$ 26,304,530	$ 6,906,381	$ 363,058	$ 326,406
Administrative services	11,464,812	49,074	11,634	-
Police	90,322,013	17,637,778	2,556,563	151,994
Fire	61,042,750	6,138,787	1,125,987	-
Libraries	11,436,405	323,969	185,642	-
Development	47,861,153	7,588,183	10,877,259	-
Public services and operations	7,972,290	1,578,599	256,308	-
Parks and recreation	33,854,714	6,200,769	316,737	321,805
Public works	35,968,999	89,655	207,383	12,349,619
Technology services	19,215,958	3,789,685	-	-
Interest on long-term debt	12,725,258	-	-	-
Total governmental activities	358,168,882	50,302,880	15,900,571	13,149,824
Business-type Activities:				
Water and sewer	153,117,762	169,851,498	-	4,443,912
Sustainability and environmental waste services	26,932,415	17,707,463	-	-
Municipal drainage	5,308,525	7,618,351	-	-
Convention and tourism	8,937,082	2,720,286	-	-
Municipal golf course	1,173,724	977,664	-	-
Recreation revolving	3,432,942	3,728,889	-	-
Downtown center development	26,836	94,393	-	-
Total business-type activities	198,929,286	202,698,544	-	4,443,912
Total primary government	$ 557,098,168	$ 253,001,424	$ 15,900,571	$ 17,593,736
Component unit:				
TIF East Side	$ 3,443,743	$ -	$ 50,000	$ -

General revenues:
- Property taxes
- Sales taxes
- Mixed drink taxes
- Hotel/Motel tax
- Other taxes
- Franchise fees based upon gross receipts
- Investment income

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning as adjusted (see Footnote I.C.)

Net position - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (18,708,685)		$ (18,708,685)	
(11,404,104)		(11,404,104)	
(69,975,678)		(69,975,678)	
(53,777,976)		(53,777,976)	
(10,926,794)		(10,926,794)	
(29,395,711)		(29,395,711)	
(6,137,383)		(6,137,383)	
(27,015,403)		(27,015,403)	
(23,322,342)		(23,322,342)	
(15,426,273)		(15,426,273)	
(12,725,258)		(12,725,258)	
(278,815,607)		(278,815,607)	
	$ 21,177,648	21,177,648	
	(9,224,952)	(9,224,952)	
	2,309,826	2,309,826	
	(6,216,796)	(6,216,796)	
	(196,060)	(196,060)	
	295,947	295,947	
	67,557	67,557	
	8,213,170	8,213,170	
(278,815,607)	8,213,170	(270,602,437)	
			$ (3,393,743)
191,237,106	-	191,237,106	2,036,092
85,790,057	-	85,790,057	-
2,322,487	-	2,322,487	-
-	9,209,353	9,209,353	-
644,540	-	644,540	-
25,088,152	8,631,271	33,719,423	-
4,548,178	797,183	5,345,361	-
12,559,897	(12,559,897)	-	-
322,190,417	6,077,910	328,268,327	2,036,092
43,374,810	14,291,080	57,665,890	(1,357,651)
964,330,158	460,212,399	1,424,542,557	15,087,833
$ 1,007,704,968	$ 474,503,479	$ 1,482,208,447	$ 13,730,182

CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2018

	General	Debt Service	Capital Maintenance	Street Improvements
ASSETS				
Cash and cash equivalents	$ 12,604,837	$ 1,521,192	$ 9,196,392	$ 12,028,725
Investments	41,437,343	5,008,461	30,278,737	39,604,073
Receivables (net of allowance for uncollectibles):				
Taxes	15,342,104	285,721	-	-
Accounts	1,656,072	-	-	-
Accrued interest	158,019	19,099	115,466	151,028
Assessments	-	-	-	1,366,121
Other	-	-	-	-
Due from other funds	1,046,573	-	108,000	-
Due from other governments	658,874	-	-	5,252,145
Inventories	116,045	-	-	-
Prepaid items and other assets	336,093	-	-	-
Total assets	$ 73,355,960	$ 6,834,473	$ 39,698,595	$ 58,402,092
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 3,113,928	$ -	$ -	$ -
Accrued liabilities	9,220,851	-	-	-
Contracts payable	-	-	2,992,748	2,267,834
Unearned revenue	228,097	-	-	4,940,601
Due to other funds	-	-	-	-
Due to other governments	211,599	-	-	-
Retainage payable	-	-	874,006	1,253,020
Seized assets payable	-	-	-	-
Total liabilities	12,774,475	-	3,866,754	8,461,455
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	8,367,961	262,896	-	3,889,645
Fund Balance:				
Nonspendable:				
Prepaid items and inventories	452,138	-	-	-
Restricted for:				
Debt service	-	6,571,577	-	-
Street improvements	-	-	-	31,429,147
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Special revenue	-	-	-	-
Blended component unit	-	-	-	-
Committed to:				
Economic development incentive	-	-	-	-
Assigned to:				
General government	117,523	-	-	-
Administrative services	275,089	-	-	-
Police	397,680	-	-	-
Fire	447,643	-	-	-
Libraries	172,395	-	-	-
Development	1,460,957	-	-	-
Public services and operations	25,108	-	-	-
Parks and recreation	1,120,841	-	-	-
Public works	1,116,644	-	-	-
Capital maintenance	-	-	35,831,841	-
Street improvements	-	-	-	14,621,845
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	264,164	-	-	-
Unassigned	46,363,342	-	-	-
Total fund balance	52,213,524	6,571,577	35,831,841	46,050,992
Total liabilities, deferred inflows, and fund balance	$ 73,355,960	$ 6,834,473	$ 39,698,595	$ 58,402,092

The notes to the financial statements are an integral part of this statement.

Municipal Facilities	Park Improvements	Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
$ 9,839,725	$ 11,418,589	$ 11,191,580	$ 13,046,884	$ 80,847,924
32,396,882	37,595,226	36,847,808	39,515,640	262,684,170
-	-	-	-	15,627,825
-	-	-	348,564	2,004,636
123,543	143,367	140,517	150,632	1,001,671
-	-	-	-	1,366,121
34,477	-	-	821,490	855,967
-	-	-	-	1,154,573
-	215,565	-	1,509,340	7,635,924
-	-	-	-	116,045
-	2,887,925	-	26,201	3,250,219
$ 42,394,627	$ 52,260,672	$ 48,179,905	$ 55,418,751	$ 376,545,075
$ -	$ -	$ -	$ 1,177,325	$ 4,291,253
-	-	-	53,396	9,274,247
276,273	2,918,061	-	72,375	8,527,291
-	-	-	1,822,795	6,991,493
-	-	-	1,046,573	1,046,573
-	-	-	2,439,610	2,651,209
36,349	361,897	-	25,513	2,550,785
-	-	-	137,784	137,784
312,622	3,279,958	-	6,775,371	35,470,635
-	215,565	-	693,316	13,429,383
-	2,887,925	-	26,201	3,366,264
-	-	-	-	6,571,577
-	-	-	-	31,429,147
39,119,360	-	-	1,759,523	40,878,883
-	18,852,235	-	-	18,852,235
-	-	-	41,377,370	41,377,370
-	-	-	124,277	124,277
-	-	48,179,905	-	48,179,905
-	-	-	-	117,523
-	-	-	-	275,089
-	-	-	-	397,680
-	-	-	-	447,643
-	-	-	-	172,395
-	-	-	-	1,460,957
-	-	-	-	25,108
-	-	-	-	1,120,841
-	-	-	-	1,116,644
-	-	-	-	35,831,841
-	-	-	-	14,621,845
2,962,645	-	-	-	2,962,645
-	27,024,989	-	-	27,024,989
-	-	-	5,018,829	5,018,829
-	-	-	-	264,164
-	-	-	(356,136)	46,007,206
42,082,005	48,765,149	48,179,905	47,950,064	327,645,057
$ 42,394,627	$ 52,260,672	$ 48,179,905	$ 55,418,751	$ 376,545,075

CITY OF PLANO, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance per balance sheet	$	327,645,057
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,100,765,932
Deferred outflows represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		6,881,763
Net pension asset and deferred outflows related to pensions and other post employment benefits.		36,822,658
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		1,366,121
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		97,988,801
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(453,403,459)
Deferred inflows represent an acquisition of net position that applies to future periods. The amount is unavailable and deferred at the fund level but recognized as revenue in the governmental activities.		13,429,383
Net pension other post employment benefit liability and deferred inflows related to pensions and other post employment benefits		(123,791,288)
Net position of governmental activities	$	1,007,704,968

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General	Debt Service	Capital Maintenance	Street Improvements
REVENUES				
Taxes:				
Property taxes	$ 132,974,743	$ 45,071,476	$ -	$ -
Sales taxes	85,592,104	-	-	-
Other taxes	2,422,242	-	-	-
Franchise fees	24,354,134	-	-	-
Fines and forfeitures	6,304,020	-	-	-
Contributions	-	-	-	5,682
Rollback taxes	-	-	775,587	-
Licenses and permits	9,521,069	-	-	-
Intragovernmental	12,366,054	-	-	-
Intergovernmental	1,526,803	-	291,929	4,789,200
Fees for services	13,765,830	-	-	-
Assessed taxes	-	-	-	-
Loan repayments	-	-	-	-
Investment income	890,026	322,477	412,338	503,307
Miscellaneous	1,803,509	151,994	81,381	53,936
Total revenues	291,520,534	45,545,947	1,561,235	5,352,125
EXPENDITURES				
Current operating:				
General government	29,285,243	-	-	-
Administrative services	11,242,058	-	-	-
Police	82,593,694	-	-	-
Fire	60,502,261	-	-	-
Libraries	11,232,288	-	-	-
Development	33,470,968	-	-	-
Public services and operations	6,956,478	-	-	-
Parks and recreation	25,293,952	-	-	-
Public works	7,427,734	-	-	-
Technology services	1,000,000	-	-	-
Capital outlay	3,599,793	-	41,542,150	26,767,678
Interest and fiscal charges	-	-	-	141,760
Debt service:				
Principal retirement	-	28,765,000	-	-
Interest and fiscal charges	-	14,650,303	-	-
Total expenditures	272,604,469	43,415,303	41,542,150	26,909,438
Excess (deficiency) of revenues over (under) expenditures	18,916,065	2,130,644	(39,980,915)	(21,557,313)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	19,057,111
Premium on sale of bonds	-	-	-	1,086,860
Transfers in	8,627,163	-	29,809,000	-
Transfers out	(26,964,827)	-	-	-
Total other financing sources (uses)	(18,337,664)	-	29,809,000	20,143,971
Net change in fund balances	578,401	2,130,644	(10,171,915)	(1,413,342)
Fund balances-beginning	51,635,123	4,440,933	46,003,756	47,464,334
Fund balances-ending	$ 52,213,524	$ 6,571,577	$ 35,831,841	$ 46,050,992

The notes to the financial statements are an integral part of this statement.

Municipal Facilities	Park Improvements	Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 178,046,219
-	-	-	-	85,592,104
-	-	-	-	2,422,242
-	-	-	-	24,354,134
-	-	-	7,165,196	13,469,216
34,477	-	7,729,679	1,494,905	9,264,743
-	-	-	-	775,587
-	-	-	-	9,521,069
-	-	-	-	12,366,054
-	6,240	-	3,211,957	9,826,129
-	-	-	3,466,364	17,232,194
-	-	-	79,560	79,560
-	-	-	26,190	26,190
356,153	391,068	481,170	456,245	3,812,784
-	100,000	558,014	8,900	2,757,734
390,630	497,308	8,768,863	15,909,317	369,545,959
-	-	-	-	29,285,243
-	-	-	-	11,242,058
-	-	-	8,477,695	91,071,389
-	-	-	957,584	61,459,845
-	-	-	114,698	11,346,986
-	-	12,666,375	2,221,924	48,359,267
-	-	-	981,459	7,937,937
-	-	-	-	25,293,952
-	-	-	-	7,427,734
-	-	-	-	1,000,000
9,735,341	19,180,024	-	1,578,967	102,403,953
194,991	242,835	-	-	579,586
-	-	-	-	28,765,000
-	-	-	-	14,650,303
9,930,332	19,422,859	12,666,375	14,332,327	440,823,253
(9,539,702)	(18,925,551)	(3,897,512)	1,576,990	(71,277,294)
26,213,057	32,644,832	-	-	77,915,000
1,494,976	1,861,791	-	-	4,443,627
-	1,830,000	-	552,897	40,819,060
(830,000)	-	-	(1,013,085)	(28,807,912)
26,878,033	36,336,623	-	(460,188)	94,369,775
17,338,331	17,411,072	(3,897,512)	1,116,802	23,092,481
24,743,674	31,354,077	52,077,417	46,833,262	304,552,576
$ 42,082,005	$ 48,765,149	$ 48,179,905	$ 47,950,064	$ 327,645,057

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	$ 23,092,481
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	53,234,391
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	7,388,973
The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(53,593,627)
Other long-term liabilities related to pension net expense and contributions, are not due and payable in the current period and, therefore, are not reported in governmental funds.	4,757,229
Other long-term liabilities related to pension net expense in internal service funds	260,375
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	133,431
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The net expenses of certain activities of internal service funds are reported within governmental activities.	7,864,143
Grant revenues included in the special revenue funds which are used for the benefit of business-type activities. The net expenses of certain activities are reported within the business-type activities.	237,414
Change in net position of governmental activities	$ 43,374,810

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2018

	Business-type Activities Enterprise Funds					
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	$ 15,915,277	$ 972,299	$ 1,276,558	$ 2,194,279	$ 20,358,413	$ 18,247,757
Investments	47,796,107	3,199,837	4,203,011	7,209,532	62,408,487	60,079,975
Receivables (net of allowance for uncollectibles):						
Accounts	21,307,271	1,291,047	824,210	575,495	23,998,023	56,404
Accrued interest	182,267	12,202	16,028	27,493	237,990	229,011
Other	9,994	1,330,252	-	17,356	1,357,602	-
Inventories	279,956	-	-	-	279,956	1,084,203
Prepaid expenses and other assets	2,468,756	472,220	270	467,625	3,408,871	593,349
Net pension asset	235,397	181,388	36,950	108,497	562,232	271,402
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	190,964	-	875,645	-	1,066,609	-
Investments	628,740	-	1,747,100	-	2,375,840	-
Accrued interest receivable	2,398	-	10,994	-	13,392	-
Revenue bond reserve fund-						
Investments	-	-	1,135,925	-	1,135,925	-
Revenue bond construction fund-						
Cash and cash equivalents	2,723,803	-	-	-	2,723,803	-
Investments	8,968,011	-	-	-	8,968,011	-
Accrued interest receivable	34,199	-	-	-	34,199	-
Total current assets	100,743,140	7,459,245	10,126,691	10,600,277	128,929,353	80,562,101
Capital assets:						
Land	3,657,667	-	121,030	2,992,154	6,770,851	62,522
Public art	-	-	-	50,000	50,000	-
Buildings	2,748,029	569,023	52,921	13,782,224	17,152,197	5,975,294
Improvements other than buildings	662,511,158	-	-	3,519,353	666,030,511	-
Equipment	111,445	470,301	15,048	1,785,307	2,382,101	43,203,658
Furniture and fixtures	129,460	2,448	4,421	269,974	406,303	316,835
Rolling equipment	2,417	-	-	-	2,417	57,907,241
Drainage improvements	-	-	48,844,338	-	48,844,338	-
Construction in progress	5,072,893	-	726,851	-	5,799,744	-
Less accumulated depreciation	(297,506,012)	(199,780)	(10,192,731)	(17,202,805)	(325,101,328)	(65,560,461)
Total capital assets (net of accumulated depreciation)	376,727,057	841,992	39,571,878	5,196,207	422,337,134	41,905,089
Total noncurrent assets	376,727,057	841,992	39,571,878	5,196,207	422,337,134	41,905,089
Total assets	477,470,197	8,301,237	49,698,569	15,796,484	551,266,487	122,467,190
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	1,846,464	1,040,786	340,999	595,343	3,823,592	1,707,757
Deferred outflows from other post employment benefits	232,065	153,857	39,469	85,151	510,542	164,091
Deferred charges on refunding	-	-	272,137	-	272,137	-
	2,078,529	1,194,643	652,605	680,494	4,606,271	1,871,848

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2018
(continued)

	Business-type Activities Enterprise Funds					
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
LIABILITIES						
Current liabilities:						
Accounts payable	$ 6,761,667	$ 108,232	$ 149,689	$ 221,516	$ 7,241,104	$ 1,473,124
Accrued liabilities	289,144	2,769,752	45,984	221,142	3,326,022	317,213
Unearned revenue	160	-	-	2,059,800	2,059,960	-
Due to other funds	-	-	-	-	-	108,000
Customer deposits	3,784,754	-	-	189,449	3,974,203	-
Escrow liability	231,320	-	-	-	231,320	-
Liability for compensated absences	255,573	205,661	59,136	5,013	525,383	165,937
Liability for insurance claims	-	-	-	-	-	7,319,554
Total current liabilities	11,322,618	3,083,645	254,809	2,696,920	17,357,992	9,383,828
Current liabilities payable from restricted assets:						
Contracts payable	696,722	-	-	-	696,722	-
Current portion of long-term debt	2,008,060	-	1,735,485	-	3,743,545	-
Accrued interest payable	594,246	-	251,621	-	845,867	-
Retainage payable	483,866	-	37,650	-	521,516	-
Total current liabilities payable from restricted assets	3,782,894	-	2,024,756	-	5,807,650	-
Total current liabilities	15,105,512	3,083,645	2,279,565	2,696,920	23,165,642	9,383,828
Noncurrent liabilities:						
Bonds payable	37,004,927	-	15,316,686	-	52,321,613	-
Net pension liability	3,729,021	2,175,716	658,024	1,262,775	7,825,536	3,403,407
Net other post employment benefit liability	764,008	506,531	129,942	280,337	1,680,818	540,220
Liability for compensated absences	1,509,015	1,184,982	189,150	746,133	3,629,280	495,965
Total noncurrent liabilities	43,006,971	3,867,229	16,293,802	2,289,245	65,457,247	4,439,592
Total liabilities	58,112,483	6,950,874	18,573,367	4,986,165	88,622,889	13,823,420
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	1,743,577	1,256,355	307,871	699,988	4,007,791	1,907,416
Deferred inflows from other post employment benefits	1,393,542	923,908	237,012	511,331	3,065,793	985,356
	3,137,119	2,180,263	544,883	1,211,319	7,073,584	2,892,772
NET POSITION						
Net investment in capital assets	349,440,083	841,992	22,791,844	5,196,207	378,270,126	41,905,089
Restricted for:						
Debt service	822,102	-	3,769,664	-	4,591,766	-
Unrestricted	68,036,939	(477,249)	4,671,416	5,083,287	77,314,393	65,717,757
Total net position	$ 418,299,124	$ 364,743	$ 31,232,924	$ 10,279,494	$ 460,176,285	$ 107,622,846

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2018

Amounts reported for business-type activities in the statement of net position are different because:

Total net position of proprietary funds	$	460,176,285
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.		
The net receivable due from activities of the internal service funds which is reported within business-type activities.		14,327,194
Net position of business-type activities	$	474,503,479

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities Enterprise Funds					
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
OPERATING REVENUES:						
Charges for sales and services:						
Service charges	$ 167,908,267	$ 14,192,229	$ 7,567,719	$ 7,416,865	$ 197,085,080	$ 84,138,355
Franchise fees	-	8,631,271	-	-	8,631,271	-
Compost products	-	2,469,513	-	-	2,469,513	-
Subrogation receipts	-	-	-	-	-	1,581,032
Intergovernmental	1,002,227	53,085	-	-	1,055,312	-
Contributions	-	109,733	-	-	109,733	-
Miscellaneous charges	616,887	1,082,378	-	65,890	1,765,155	107,594
Total operating revenues	169,527,381	26,538,209	7,567,719	7,482,755	211,116,064	85,826,981
OPERATING EXPENSES:						
Personnel services	11,301,764	7,460,436	2,583,419	5,086,734	26,432,353	10,935,613
Pension expense (net)	(314,190)	(217,249)	(53,593)	(120,005)	(705,037)	(260,375)
Contractual services	8,434,595	8,715,816	835,329	7,517,323	25,503,063	16,516,281
Supplies	1,279,735	667,866	229,020	976,244	3,152,865	9,053,818
Claims expense	-	-	-	-	-	33,923,553
Depreciation	15,846,714	36,548	914,037	382,435	17,179,734	9,469,632
Solid waste disposal	-	8,604,886	-	-	8,604,886	-
Wastewater treatment	31,430,015	-	-	-	31,430,015	-
Charges in lieu of taxes	10,126,729	2,239,325	-	-	12,366,054	-
Water supply	72,334,642	-	-	-	72,334,642	-
Miscellaneous	1,243,753	178,860	43,896	141,791	1,608,300	168,170
Total operating expenses	151,683,757	27,686,488	4,552,108	13,984,522	197,906,875	79,806,692
Operating income (loss)	17,843,624	(1,148,279)	3,015,611	(6,501,767)	13,209,189	6,020,289
NONOPERATING REVENUES (EXPENSES):						
Investment income	574,665	33,461	105,869	83,188	797,183	735,394
Loss on property disposition	-	-	-	(15,075)	(15,075)	993,181
Interest and fiscal charges	(1,248,722)	-	(651,381)	-	(1,900,103)	-
Hotel/Motel tax	-	-	-	9,209,353	9,209,353	-
Intergovernmental revenues	-	-	-	-	-	169,028
Miscellaneous	324,117	37,939	50,632	38,477	451,165	550,644
Total nonoperating revenue (expenses)	(349,940)	71,400	(494,880)	9,315,943	8,542,523	2,448,247
Income (loss) before contributions and transfers	17,493,684	(1,076,879)	2,520,731	2,814,176	21,751,712	8,468,536
Contributions from developers	4,443,912	-	-	-	4,443,912	-
Transfers in	-	-	-	-	-	798,749
Transfers out	(9,262,230)	-	(1,028,073)	(2,269,594)	(12,559,897)	(250,000)
Change in net position	12,675,366	(1,076,879)	1,492,658	544,582	13,635,727	9,017,285
Total net position-beginning as adjusted (Footnote I.C.)	405,623,758	1,441,622	29,740,266	9,734,912	446,540,558	98,605,561
Total net position-ending	$ 418,299,124	$ 364,743	$ 31,232,924	$ 10,279,494	$ 460,176,285	$ 107,622,846

CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net position - total proprietary funds	$ 13,635,727
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.	
The net revenues of certain activities of internal service funds are reported within business-type activities.	892,767
The net revenues of grant activities of special revenue funds are reported within business-type activities.	(237,414)
Change in net position of business-type activities	$ 14,291,080

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities Enterprise Funds					
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 168,686,877	$ 17,735,853	$ 7,553,004	$ 9,203,208	$ 203,178,942	$ 84,411,596
Cash received from subrogation	-	-	-	-	-	1,581,032
Franchise fees	-	8,631,271	-	-	8,631,271	-
Charges in lieu of taxes	(10,126,729)	(2,239,325)	-	-	(12,366,054)	-
Cash payments to suppliers for goods and services	(116,043,616)	(18,995,019)	(1,579,393)	(8,508,441)	(145,126,469)	(59,819,791)
Cash paid to or on behalf of employees for services	(11,147,591)	(7,299,470)	(2,679,448)	(5,037,555)	(26,164,064)	(10,805,587)
Net cash provided (used) by operating activities	31,368,941	(2,166,690)	3,294,163	(4,342,788)	28,153,626	15,367,250
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Hotel/Motel tax	-	-	-	9,209,353	9,209,353	-
Transfers to other funds	(9,262,230)	-	(1,028,073)	(2,269,594)	(12,559,897)	(250,000)
Transfers from other funds	-	-	-	-	-	798,749
Intergovernmental receipts	-	-	-	-	-	169,028
Net cash provided (used) by noncapital financing activities	(9,262,230)	-	(1,028,073)	6,939,759	(3,350,544)	717,777
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(13,317,321)	(39,243)	(5,693,213)	(387,114)	(19,436,891)	(10,872,516)
Bond proceeds	12,509,709	-	-	-	12,509,709	-
Bond issuance costs paid	(750)	-	(3,000)	-	(3,750)	-
Proceeds from sale of equipment	-	-	-	-	-	1,002,034
Principal paid on long-term debt	(855,000)	-	(1,840,000)	-	(2,695,000)	-
Interest and fees paid on long-term debt	(980,400)	-	(624,288)	-	(1,604,688)	-
Proceeds from insurance damages	324,117	37,939	50,632	38,477	451,165	550,644
Net cash used by capital and related financing activities	(2,319,645)	(1,304)	(8,109,869)	(348,637)	(10,779,455)	(9,319,838)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investment securities	(57,392,858)	(3,199,837)	(7,086,036)	(7,209,532)	(74,888,263)	(60,079,975)
Proceeds from sale and maturities of investment securities	46,995,983	5,404,747	12,856,492	6,079,504	71,336,726	60,889,324
Interest on investments	554,623	44,124	133,238	81,416	813,401	763,983
Net cash provided (used) by investing activities	(9,842,252)	2,249,034	5,903,694	(1,048,612)	(2,738,136)	1,573,332
Net increase in cash and cash equivalents	9,944,814	81,040	59,915	1,199,722	11,285,491	8,338,521
Cash and cash equivalents - beginning of year	8,885,230	891,259	2,092,288	994,557	12,863,334	9,909,236
Cash and cash equivalents - end of year	$ 18,830,044	$ 972,299	$ 2,152,203	$ 2,194,279	$ 24,148,825	$ 18,247,757
Classified as:						
Current assets	$ 15,915,277	$ 972,299	$ 1,276,558	$ 2,194,279	$ 20,358,413	$ 18,247,757
Restricted assets	2,914,767	-	875,645	-	3,790,412	-
Total	$ 18,830,044	$ 972,299	$ 2,152,203	$ 2,194,279	$ 24,148,825	$ 18,247,757
Noncash disclosures:						
Developers' contributions	$ 4,443,912	$ -	$ -	$ -	$ 4,443,912	$ -
Premium amortization	183,060	-	55,485	-	238,545	-
Amortization of deferred charge on refunding	-	-	(89,410)	-	(89,410)	-
Loss on property disposition	-	-	-	(15,075)	(15,075)	(8,853)
Decrease in fair value of investments	(485,747)	(11,279)	(19,939)	(60,019)	(576,984)	(442,129)
Transfer in (out) of capital assets	(1,018)	(746,067)	(28,570)	(40)	(775,695)	3,483,536
Donated capital asset	-	-	-	-	-	92,663

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(continued)

	Business-type Activities Enterprise Funds					
	Water and Sewer	Sustainability and Environmental Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 17,843,624	$ (1,148,279)	$ 3,015,611	$ (6,501,767)	$ 13,209,189	$ 6,020,289
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	15,846,714	36,548	914,037	382,435	17,179,734	9,469,632
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	(1,292,630)	(97,843)	(14,715)	464,765	(940,423)	(16,523)
Other accounts receivable	(4,747)	(73,242)	-	13,029	(64,960)	185,317
Due from other funds	-	-	-	-	-	53,853
Prepaid expenses and other assets	(1,531,119)	(448,142)	(270)	(171)	(1,979,702)	(141,701)
Inventories	(79,126)	-	-	-	(79,126)	(26,556)
Pensions	(314,190)	(217,249)	(53,593)	(120,005)	(705,037)	(260,375)
Increase (decrease) in-						
Accounts payable	289,369	(379,449)	(470,878)	114,059	(446,899)	(446,400)
Accrued liabilities	40,668	171,833	1,227	(35,605)	178,123	63,559
Due to other funds	-	-	-	(11,753)	(11,753)	(57,000)
Liability for compensated absences	113,505	(10,867)	(97,256)	84,784	90,166	66,467
Customer deposits	456,883	-	-	(75,023)	381,860	-
Unearned revenue	(10)	-	-	1,342,464	1,342,454	-
Liability for insurance claims	-	-	-	-	-	456,688
Total adjustments	13,525,317	(1,018,411)	278,552	2,158,979	14,944,437	9,346,961
Net cash provided (used) by operating activities	$ 31,368,941	$ (2,166,690)	$ 3,294,163	$ (4,342,788)	$ 28,153,626	$ 15,367,250

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2018

	Pension and Other Employee Benefit Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	$ 3,793,696	$ 712,343
Investment pool	-	2,345,359
U.S. government obligations	24,655,868	-
Corporate bonds	16,330,546	-
Common stocks	112,934,525	-
Mutual funds	90,740,526	-
Accrued interest	377,614	8,943
Total assets	248,832,775	3,066,645
LIABILITIES		
Accounts payable	569,364	-
Developers' escrow liability	-	2,863,087
Unclaimed property payable	-	203,558
Total liabilities	569,364	3,066,645
NET POSITION		
Held in trust for pension benefits	158,416,677	
Held in trust for other postemployment benefits	89,846,734	
Total net position	$ 248,263,411	

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions:	
From employers	$ 10,378,131
From retirees	2,118,395
Total contributions	12,496,526
Investment return:	
Net increase in fair value of investments	19,400,766
Interest	1,183,100
Dividends	3,550,179
Miscellaneous	2,652
Total investment return	24,136,697
Total additions	36,633,223
DEDUCTIONS	
Benefits	8,685,017
Administrative expenses	2,621,994
Miscellaneous expenses	7,153
Total deductions	11,314,164
Net increase	25,319,059
Net position held in trusts - beginning of year	222,944,352
Net position held in trusts - end of year	$ 248,263,411

The notes to the financial statements are an integral part of this statement.

Plano
City of Excellence

CITY OF PLANO, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Plano, Texas (City) was originally incorporated in 1873 and chartered on June 10, 1961, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide*. The significant accounting policies of the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types and the pension trust and postemployment benefits trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund and Debt Service Fund budgets with actual results. The City does not have any Special Revenue funds with legally adopted budgets.

B. Reporting Entity

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the City's

reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization's board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; or
- there is fiscal dependency by the organization on the City.

Discretely Presented Component Unit.

The City has established a Tax Increment Financing district (TIF) for project improvements within the City. The TIF provides financing for public improvements associated with the future development of East Plano. The project was approved by the City Council in fiscal year 1999. The TIF is legally separate from the City, and the City appoints a majority of its governing board for the TIF; however, the entity is fiscally dependent on the City. All taxing entities, including the Plano Independent School District, Collin College and Collin County continued to participate through the initial term which expired December 31, 2014. In fiscal year 2014, the City passed an ordinance to extend the termination date for an additional 15 years. The additional 15-year term will include participation with the City, as well as Collin County. Financial reports may be obtained by request to the City's Accounting Department, 1520 Avenue K, Suite 370, Plano, Texas 75074.

Blended Component Units.

The City has established a Public Improvement District (PID) for project improvements and services for the Downtown Plano area, which benefits the primary government. The PID was approved in October 2014. The PID is utilized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value. Chapter 372 of the Texas Local Government Code allows City Council to establish an advisory board for the PID, which has the responsibility of developing the improvement plan for the PID. The advisory board must consist of the property owners. Additionally, an executive committee is comprised of three property owners representing the greatest appraised property values, plus five other members to be elected by the entire advisory board. The executive committee shall prepare a service plan and assessment plan for consideration of the advisory board, whose recommendation shall be presented to the City Council for review and approval.

In fiscal year 2016, the Plano Improvement Corporation (PIC) was established as a 501(c)3 to serve as a non-profit corporation to facilitate real estate transactions and serve as an independent foundation for acceptance of donations. The City desired to create the PIC for the purpose of transfer of land and improvements that the City wants developed pursuant to Texas Local Government Code §272.001(b)(4). Occasionally, individuals, as well as charitable corporations and foundations desire to donate real and/or personal property to the City to further the charitable purposes of the person or entity and to benefit the citizens of Plano. The City provides all financial support to the PIC and because the services provided by the PIC exclusively benefit the City, it is blended into the City's financial statements in the Other Governmental Funds category.

In fiscal year 2017, the Transportation Management Association (TMA) was created as a 501(c)6 comprised of businesses and local governments dedicated to solving local transportation concerns, which benefits the primary government. The TMA is an organized group applying selected measures to facilitate the movement of people and goods within an area led by a Board of Directors, with public and private members with a common interest. The TMA represents and connects employers, employees and government agencies to mitigate mobility challenges. Additionally, the organization allows businesses to pool resources to support commuter transportation strategies, act in an advocacy role with local government and expand knowledge of alternatives to commuting in single occupancy vehicles. Currently,

membership is restricted to specific boundaries and derived from dues paid by contributing businesses in the area. In fiscal year 2017, the City of Plano applied for grant funding through the North Central Texas Council of Governments which will pass-through to the TMA by means of an agreement once finalized. The City will be involved in the initial implementation and establishment of the TMA organization through the life of the grant, which at that time operations will be conducted by the TMA Board.

Related Organization.

The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. Thus, it is not included in the primary government or as a discretely presented component unit.

The financial statements are formatted to allow the user to clearly distinguish between primary government and its discretely presented component unit.

C. Upcoming and Newly Implemented Accounting Pronouncements

During fiscal year 2018, the City adopted the following GASB Statements:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes financial reporting standards for state and local governmental other post employment benefit plans (OPEB). The statement replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* as amended, and Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans.* The adoption of Statement No. 74 has no impact on the City's financial statements. However, the separately issued OPEB report implemented GASB Statement No. 74 as of December 31, 2017.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, addresses accounting and financial reporting by state and local governments for postemployment benefits other than pensions. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

With this implementation, the City's financial statements were restated to reflect the beginning net OPEB liability, deferred outflows and inflows of resources and the recognition of OPEB expense and contributions made between the start of the measurement period and the City's prior fiscal year. The restatement to beginning net position is noted below and reflected on the statements:

	Government-wide		Fund Level Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	
	Governmental Activities	Business-type Activities	Business-type	Internal Service
Net position at 10/1/17	$ 1,014,404,806	$ 464,915,235	$ 451,243,394	$ 100,117,067
Change in reporting for OPEB	(50,074,648)	(4,702,836)	(4,702,836)	(1,511,506)
Net position restated at 10/1/17	$ 964,330,158	$ 460,212,399	$ 446,540,558	$ 98,605,561

GASB Statement No. 81, *Irrevocable Split-Interest Agreements,* pertains to a type of a giving agreement used by donors to provide resources to two or more beneficiaries, including governments. The adoption of Statement No. 81 has no impact on the City's financial statements.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73,* addresses certain issues that have been raised with respect to these statements. It addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in and Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City implemented this Statement in the current fiscal year.

GASB Statement No. 85, *Omnibus 2017,* addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits for pensions and other postemployment benefits. The City implemented this Statement in the current fiscal year.

GASB Statement No. 86, *Certain Debt Extinguishments Issues,* improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. The adoption of Statement No. 86 has no impact on the City's financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurring before the end of a construction period. The City implemented this Statement in the current fiscal year.

The GASB has issued the following statements, which will be effective in future fiscal years as described below:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets will recognize a liability based on the guidance in this Statement. The City is currently evaluating the impact of implementation of this Statement.

GASB Statement No. 84, *Fiduciary Activities,* establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement is effective for periods beginning after December 15, 2018. The City is currently evaluating the impact of implementation of this Statement.

GASB Statement No. 87, *Leases,* will increase the usefulness of government financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City is currently evaluating the impact of this Statement.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, will improve the information that is disclosed in notes to financial statements related to debt by requiring additional essential information. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The City is currently evaluating the impact of this Statement.

GASB Statement No. 90, *Majority Equity Interests*, improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of information presented for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City is currently evaluating the impact of this Statement.

D. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements; the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (e.g., police, fire, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property and sales taxes, franchise fees and interest income).

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, capital maintenance fund, street improvements fund, municipal facilities fund, park improvements fund and economic development incentive fund. The major enterprise funds are the water and sewer fund, environmental waste services fund and municipal drainage fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the fund financial statements.

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the cost of these services is reflected in the appropriate functional activity (e.g., police, fire, public works, etc.). The City's internal service funds consist of equipment maintenance and replacement, municipal warehouse, technology services, risk management and health claims funds.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds consist of funds that account for the pension trust, postemployment benefits trust, developers' escrow and unclaimed property.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as the fiduciary funds (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year-end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept.

Licenses and permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered unearned revenue.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Paving assessments in the Street Improvements Fund are recorded as revenues when cash is received. The assessments are due in annual installments, including interest, over a four to eight year period. The assessments are measurable when assessed but are generally not available for use when assessed. Unallocated assessments are recorded as unearned revenue.

Business-type activities and all proprietary funds, and the pension trust and postemployment benefits trust funds, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, environmental waste services, municipal drainage, convention and tourism, municipal golf course, downtown center development and recreation revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

a. The General Fund accounts for several of the City's primary services (e.g., police, fire, public works, libraries, parks and recreation, etc.) and is the primary operating unit of the City.

b. The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

c. The Capital Maintenance Fund accounts for the financing of betterments and renewals to the City's infrastructure and for public improvements not requiring general obligation bond financing.

d. The Street Improvements Fund accounts for the financing and acquisition of right of way and construction of streets, storm sewers and alleys. Funds are provided primarily through bond sales, paving assessments and interest earnings.

e. The Municipal Facilities Fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.

f. The Park Improvements Fund accounts for the financing and construction of park projects. Funds are provided primarily through bond sales and interest earnings.

g. The Economic Development Incentive Fund accounts for $0.02 of ad valorem revenue designated by the City Council for stimulating economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.

h. Other Governmental Funds is a summarization of all of the nonmajor governmental funds.

2. Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Enterprise Funds of the City:

a. The Water and Sewer Fund accounts for the operation of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure financial integrity of the fund.

b. The Environmental Waste Services Fund accounts for the provision of environmental services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.

c. The Municipal Drainage Fund accounts for the City's storm water management program.

d. Other Enterprise Funds are a summarization of all of the nonmajor enterprise funds.

3. Other Fund Types:

The City additionally reports for the following fund types:

a. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost-reimbursement basis.

b. Agency funds are used to account for assets held by the City in an agency capacity for individuals (Unclaimed property) or developers (Developers' escrow). Agency funds record only assets and liabilities and therefore have no measurement focus.

c. Trust funds are used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City and for postemployment health benefits.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with a fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and cash equivalents for government-wide funds are combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on quoted market prices, except for certificates of deposit and investments in government pools, which are recorded at amortized cost. Amortized cost approximates fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

G. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund advances or interfund receivable/payable. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

H. Inventories, Prepaid Items and Other Assets

Inventories of supplies are maintained at the City warehouse for use by all City funds and are accounted for by the consumption method. They are valued at cost, which is determined using a weighted-average method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased.

Prepaid items are for payments made by the City in the current year to receive services occurring in the subsequent fiscal year, utilizing the consumption method. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

I. Interfund Transactions

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is nonspendable for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or nonroutine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds – are accounted for as transfers.

J. Capital Assets

Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at acquisition value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government and business-type activities are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	15 - 40
Improvements other than buildings	20 - 50
Equipment	2 - 10
Furniture and fixtures	5 - 10
Drainage improvements	50
Meters	10
Storm/sanitary sewer	50
System infrastructure	30 - 50

K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Employees are required to utilize a minimum of 40 hours of vacation per year. Upon termination and completion of five years of service, an employee is reimbursed for accumulated vacation. Vacation leave is capped at 480 hours and leave in excess of 480 hours will not be reimbursed upon termination. Police and firefighters are reimbursed upon termination up to a maximum of 90 days accumulated sick leave as required by state civil service law. All other full-time City employees with five or more years of service are reimbursed up to 90 days accumulated sick leave upon termination. Sick leave in excess of 90 days is not paid upon termination, but will be paid only upon illness while in the employment of the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements.

L. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are accounted for within the Grant Fund (Special Revenue) and Street Improvements Fund (Capital Projects). Various state grants are also included in the Grant Fund and Street Improvements Funds. Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the special revenue funds.

M. Retirement Plans

The City has two separate retirement plans, Texas Municipal Retirement System (TMRS) and Retirement Security Plan (RSP), covering substantially all employees. In addition, the City has a deferred compensation plan and a postemployment benefit plan (115 Trust). It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

N. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Difference in expected and actual experience for the TMRS pension plan – This difference is deferred and recognized over the estimated average remaining service lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension liability for the RSP plan – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- Pension and OPEB plans' employer contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- Unavailable revenue – These deferred inflows are reported on the governmental funds balance sheet as the funds are not received soon enough after year end to pay liabilities of the current period. These deferred inflows are reclassified to revenue on the governmental-wide financial statements.
- Difference in expected and actual experience for the pension and OPEB plans – This difference is deferred and recognized over the estimated average remaining service lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine liabilities for the TMRS pension and the OPEB plans – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- Difference in projected and actual investment earnings on pension and OPEB plans' assets – This difference is deferred and amortized over a closed five-year period.

O. Long-Term Debt

General obligation bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Tax anticipation notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

Revenue bonds have been issued to fund capital projects of proprietary funds. Such bonds are to be repaid from the net revenues of the applicable proprietary fund. To date, revenue bonds have been issued for municipal drainage and waterworks and sewer system improvements.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

As a result of restatement of net position for GASB Statement No. 75, the Risk Management fund ended fiscal year 2018 with negative net position of $(158,190). GASB Statement No. 75 does not establish requirements for funding but rather provides users with information of the effects of these transactions on the face of the financial statements. The Risk Management fund has positive cash and cash equivalents of $1,162,049.

The Grant fund also reported negative fund balance of $(356,097) at September 30, 2018, due to reimbursements not being received within 30 days and thus, not considered available to pay liabilities of the current period.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $(453,403,459) difference are as follows:

Bonds and tax anticipation notes payable	$ (377,085,000)
Add: Premium	(34,821,068)
Accrued interest payable	(1,518,951)
Compensated absences	(39,978,440)
Net adjustment to fund balance - total governmental funds to arrive at net position - governmental activities	$ (453,403,459)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense." The details of the $53,234,391 difference are as follows:

Capital outlay	$ 102,403,953
Depreciation expense	(47,157,099)
Other capital-related transactions	(2,012,463)
Net adjustment to net change in fund balance - total governmental funds to arrive at change in net position of governmental activities	$ 53,234,391

Another element of the reconciliation states, "The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $(53,593,627) difference are as follows:

Bonds issued	$	(77,915,000)
Premium		(4,443,627)
Principal payments		28,765,000
Net adjustment to net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	(53,593,627)

The reconciliation also states, "Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore are not reported as expenditures in governmental funds." The details of this $133,431 difference are as follows:

Changes in:		
Compensated absences	$	(1,791,614)
Accrued interest		(304,327)
Amortization of deferred charge on refunding		(2,992,233)
Amortization of bond premium		5,221,605
Net adjustment to net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	133,431

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Compliance - Budgets

The City Charter contains the following requirements, which are adhered to by the City Council, regarding preparation of the annual budget:

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to the Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.
- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

The City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. Only the General Fund and Debt Service Fund have legally adopted annual budgets. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. The City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there was an appropriation increase of $973,288 for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

Budgets and Budgetary Basis of Accounting

The Budgetary Comparison Statement, included in the required supplementary information section, presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

- The portion of ad valorem tax revenues in the General Fund from "rolled back" tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.

- The General Fund encumbrances are added to the actual expenditures for budgetary comparison.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the general fund and includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year. Below are details of encumbrances at September 30, which are classified as a portion of assigned fund balance:

Assigned to Encumbrances:	
Governmental Funds	
General	$ 5,133,880
Capital maintenance	26,941,254
Street improvements	14,621,845
Municipal facilities	2,962,645
Park improvements	27,024,989
DART	15,570
	$ 76,700,183

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The City Council has authorized the City Manager as the official authorized to assign fund balance. Such assignments cannot exceed the available (spendable, unrestricted, and uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate general fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a general fund minimum unassigned fund balance of 30 days working capital.

IV. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS:

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act (PFIA) and the Public Funds Investment Policy of the City, all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100% or by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a market value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2018, the carrying amount of the City's demand deposits was $43,544,549, which includes component unit deposits of $879,681. The bank balance was $46,571,655. Cash on hand totaled $1,422,732. The carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD) were $36,956,684, which includes component unit deposits of $730,911. Fixed term investment pool carrying value totaled $25,000,000, which includes component unit deposits of $494,438. The carrying value of cash held in trust by a bank trust department for the City's Postemployment Benefit Trust Fund and Retirement Security Plan were $692,605 and $3,555,135, respectively.

Investments – Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs (the City does not value any of its investments using Level 3 inputs).

The City has the following recurring fair value measurements as of September 30, 2018:

- U.S. Agencies of $154.7 million are valued using matrix pricing (Level 2 inputs)
- Municipal Bonds of $191.4 million are valued using quoted market prices in markets that are not active (Level 2 inputs)

The Retirement Security Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of September 30, 2018:

- U.S. Government Obligations of $24.7 million are valued using matrix pricing (Level 2 inputs)
- Corporate Bonds of $16.3 million are valued using matrix pricing (Level 2 inputs)
- Equities of $113.5 million are valued using quoted market prices (Level 1 inputs)

The Postemployment Benefit Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of September 30, 2018:

- Equities of $90.1 million are valued using quoted market prices (Level 1 inputs)

At September 30, 2018, the City's investment balances by fair value levels were as follows:

		Fair Value Measurements Using			
	9/30/2018	Quoted Prices in Active Markets for Identical Assets Primary Government (Level 1)	Significant Other Observable Inputs Primary Government (Level 2)	Significant Other Observable Inputs Component Unit (Level 2)	Weighted Avg Maturity (Years)*
Government-wide					
U.S. Agencies	$ 154,696,066	$ -	$ 147,850,838	$ 6,845,228	0.5632
Municipal Bonds	191,415,536	-	191,415,536	-	0.5672
Total Government-wide	346,111,602	-	339,266,374	6,845,228	1.1304
Investment Trust Funds					
Retirement Security Plan:					
U.S. Government obligations	24,655,868	-	24,655,868	-	4.3400
Corporate bonds	16,330,546	-	16,330,546	-	3.6200
Equities:					
Common stocks	100,190,751	100,190,751	-	-	NA
Mutual funds	13,355,835	13,355,835	-	-	NA
Postemployment Benefit:					
Equities:					
Common stocks	12,743,774	12,743,774	-	-	NA
Mutual funds	77,384,691	77,384,691	-	-	NA
Total Investment Trust Funds	244,661,465	203,675,051	40,986,414	-	
TOTAL INVESTMENTS	$ 590,773,067	$ 203,675,051	$ 380,252,788	$ 6,845,228	

**Fair-value basis*

Equity securities are valued using prices in active markets and matrix pricing is used to value based on benchmarks

In addition, the City had investments in government pools at September 30, 2018 totaling $81,017,591, which are recorded at amortized cost. These investments in government pools includes component unit deposits of $1,602,328. GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* establishes criteria for an external investment pool to qualify for making an election to measure all of its investments at amortized cost. The City does not have any limitations or restrictions on withdrawals.

Investments in both the Retirement Security Plan and the Postemployment Benefit Trust Fund are held by a bank trust department, apart from the overall City's cash and investments. The City has contracted with a bank trust department to manage the investment portfolio of the Retirement Security Plan and Postemployment Benefit Trust Fund. The investments are subject to the policies and guidelines established by the Retirement Security Plan and Postemployment Benefit Trust Fund committee members.

The City is authorized to invest in: (1) obligations of, or guaranteed by, governmental entities; (2) certificates of deposit, issued by a depository institution that has its main office or branch in Texas; (3) fully collateralized repurchase agreements having a defined termination date; (4) commercial paper having a stated maturity of 270 days or fewer and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (5) no-load money market mutual funds registered and regulated by the SEC having a dollar-weighted average stated maturity of 90 days or fewer; no-load mutual funds registered with the SEC, having an average weighted maturity of less than two years and continuously rated of not less than AAA or its equivalent; and (6) eligible investment pools that invest in instruments and follow practices allowed by current law as defined by PFIA, provided that each investment meets guidelines set forth by the City's investment policy.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than two and a half years. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities, including, Tennessee Valley Authority (TVA), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and First Federal Community Bank (FFCB), are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. Although Federal Agricultural Mortgage Corporation (FAMC) does not have a rating from Standard & Poor's or Moody's, as a Government Sponsored Enterprise, it is backed by the full faith and credit of the United States Government. The investment in the Texas Local Government Pools (TexPool and Texas Daily) carried a credit rating of AAAm by Standard & Poor's as of September 30, 2018.

Custodial Credit Risk. Deposits and Investments. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy follows state statutes, which require that all deposits in financial institutions be fully collateralized or insured. For investments, custodial credit risk is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that all investments held by outside parties for safekeeping be held in the name of the City. The City was not exposed to any custodial credit risk during the year.

Concentration of Credit Risk. With the exception of U.S. Treasury securities, the City's investment policy limits the amount that may be invested in any one issuer to 50% of the total investment portfolio. As of September 30, 2018, five percent (5%) or more of the City's total investments are in: Municipal Bonds (36.0%), Federal Home Loan Mortgage Corporation securities (11.5%), Certificates of Deposits/Fixed Term Products (11.5%), Investment Pools (15.0%), Federal National Mortgage Association (7.8%) and Bank Accounts (8.6%), on a fair value basis.

2. PROPERTY TAXES:

The City's ad valorem or property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The original certified assessed value for the tax roll of January 1, 2017 was $39,066,059,755. Subsequent adjustments decreased this value to $38,264,101,152.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally thirty days after year-end. Current tax collections for the year ended September 30, 2018, were 99.8% of the tax levy.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2018, was $0.4686 ($0.3500 for general government and $0.1186 for debt service) per $100 of assessed valuation. Thus, the City has a tax margin of $2.0314 per $100 and could have levied up to $777,296,951 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

3. RECEIVABLES:

Receivables at September 30, 2018 for the government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	Property Taxes	Other Taxes	Accounts	Accrued Interest	Assessments	Other	Gross Receivables	Less: Allowance for Uncollectibles	Net Total Receivables
General	$ 1,975,884	$ 14,625,517	$ 1,656,072	$ 158,019	$ -	$ -	$ 18,415,492	$ (1,259,297)	$ 17,156,195
Debt Service	788,243	-	-	19,099	-	-	807,342	(502,522)	304,820
Capital Maintenance	-	-	-	115,466	-	-	115,466	-	115,466
Street Improvements	-	-	-	151,028	1,366,121	-	1,517,149	-	1,517,149
Municipal Facilities	-	-	-	123,543	-	34,477	158,020	-	158,020
Park Improvements	-	-	-	143,367	-	-	143,367	-	143,367
Economic Development Incentive	-	-	-	140,517	-	-	140,517	-	140,517
Water and Sewer	-	-	21,552,525	218,864	-	9,994	21,781,383	(245,254)	21,536,129
Sustainability and Environmental Services	-	-	1,335,321	12,202	-	1,330,252	2,677,775	(44,274)	2,633,501
Municipal Drainage	-	-	835,824	27,022	-	-	862,846	(11,614)	851,232
Nonmajor and Other Funds	-	-	980,463	407,136	-	838,846	2,226,445	-	2,226,445
	$ 2,764,127	$ 14,625,517	$ 26,360,205	$ 1,516,263	$ 1,366,121	$ 2,213,569	$ 48,845,802	$ (2,062,961)	$ 46,782,841

The enterprise fund accounts receivable includes unbilled charges for services of $7,840,442 rendered at September 30, 2018.

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2018 was as follows:

Primary Government

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 152,099,053	$ 1,231,981	$ -	$ 153,331,034
Construction in progress	61,821,495	98,116,286	(107,963,566)	51,974,215
Public art	1,761,519	6,056	-	1,767,575
Total capital assets, not being depreciated	215,682,067	99,354,323	(107,963,566)	207,072,824
Capital assets, being depreciated:				
Buildings	234,503,618	26,281,627	-	260,785,245
Improvements other than buildings	217,418,368	35,011,865	-	252,430,233
Equipment	233,280,569	17,063,110	(22,820,777)	227,522,902
Infrastructure	1,205,159,308	47,145,930	-	1,252,305,238
Total capital assets being depreciated	1,890,361,863	125,502,532	(22,820,777)	1,993,043,618
Less accumulated depreciation for:				
Buildings	(133,752,548)	(9,814,091)	-	(143,566,639)
Improvements other than buildings	(102,234,504)	(6,269,005)	-	(108,503,509)
Equipment	(184,896,466)	(13,162,638)	20,754,208	(177,304,896)
Infrastructure	(600,689,380)	(27,380,997)	-	(628,070,377)
Total accumulated depreciation	(1,021,572,898)	(56,626,731)	20,754,208	(1,057,445,421)
Total capital assets, being depreciated, net	868,788,965	68,875,801	(2,066,569)	935,598,197
Governmental activities capital assets, net	$1,084,471,032	$ 168,230,124	$ (110,030,135)	$ 1,142,671,021
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 6,764,537	$ 6,314	$ -	$ 6,770,851
Construction in progress	20,768,140	16,677,020	(31,645,416)	5,799,744
Public Art	-	50,000	-	50,000
Total capital assets, not being depreciated	27,532,677	16,733,334	(31,645,416)	12,620,595
Capital assets, being depreciated:				
Buildings	17,112,954	39,243	-	17,152,197
Improvements other than buildings	636,498,034	29,532,477	-	666,030,511
Drainage improvements	42,294,731	6,549,607	-	48,844,338
Furniture and fixtures	406,303	-	-	406,303
Equipment	2,096,713	1,113,740	(825,935)	2,384,518
Total capital assets, being depreciated	698,408,735	37,235,067	(825,935)	734,817,867
Less accumulated depreciation for:				
Buildings	(15,472,060)	(274,851)	-	(15,746,911)
Improvements other than buildings	(281,538,108)	(15,940,893)	-	(297,479,001)
Drainage improvements	(9,229,904)	(911,391)	-	(10,141,295)
Furniture and fixtures	(237,194)	(425)	-	(237,619)
Equipment	(1,479,495)	(52,174)	35,167	(1,496,502)
Total accumulated depreciation	(307,956,761)	(17,179,734)	35,167	(325,101,328)
Total capital assets, being depreciated, net	390,451,974	20,055,333	(790,768)	409,716,539
Business-type activities capital assets, net	$ 417,984,651	$ 36,788,667	$ (32,436,184)	$ 422,337,134

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 9,718,914
Administrative services	20,893
Police	610,643
Fire	289,382
Libraries	526,527
Development	168,831
Public services and operations	76,442
Parks and recreation	8,042,440
Public works	27,703,027
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	9,469,632
Total depreciation expense - governmental activities	$ 56,626,731
Business-type activities:	
Water and sewer	$ 15,846,714
Sustainability and environmental waste services	36,548
Convention and tourism	131,943
Municipal drainage	914,037
Municipal golf course	170,145
Recreation revolving	80,347
Total depreciation expense - business-type activities	$ 17,179,734

Component Unit

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
TIF East side activities:				
Capital Assets, not being depreciated:				
Land	$ 1,579,168	$ 1,601,128	$ -	$ 3,180,296
Total capital assets, not being depreciated	1,579,168	1,601,128	-	3,180,296
TIF East side activities capital assets	$ 1,579,168	$ 1,601,128	$ -	$ 3,180,296

Future expenditures for capital projects will be funded from federal and state grants as well as unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 2009, $128,622,500 of various purpose general obligation bonds were authorized and $128,122,500 of the 2009 bonds have been issued. In May 2013, $98,313,000 of various purpose general obligation bonds were authorized and $85,313,000 have been issued. In May 2017, $220,620,000 of various purpose general obligation bonds were authorized and $57,999,500 have been issued.

5. EMPLOYEE BENEFIT PLANS:

In the current fiscal year, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB),* that addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and pension expense. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans, which was implemented by the Plan on December 31, 2017. The Plan impacted by GASB Statements No. 74 and 75 is the 115 Trust. More detailed information related to OPEB is discussed later in this footnote.

A summary of the pension and OPEB net (asset)/liabilities, deferred outflows and inflows of resources and expenses are below and discussed in further detail in this footnote.

	Pension		OPEB	
	TMRS	RSP	115 Trust	Total
Net liability (asset)	$ 66,797,634	$ (5,607,461)	$ 12,031,622	$ 73,221,795
Deferred outflow	21,460,383	10,996,614	3,654,566	36,111,563
Deferred inflow	30,990,632	8,605,791	21,945,547	61,541,970
Expense (current year)	25,691,236	6,220,184	1,703,855	33,615,275

Summary of Significant Accounting Policies

For purposes of measuring the pension and OPEB net liabilities (asset), deferred outflows and inflows of resources and expense, information about the fiduciary net position of TMRS, RSP and 115 Trust and additions to/deductions from Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, Plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. Texas Municipal Retirement System Plan

Plan Description

The City participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) where further information can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount, which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his or her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
A member is vested after	5 years
Service retirement eligibility	20 years at any age, 5 years at age 60 and above

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,191
Inactive employees entitled to but not yet receiving benefits	983
Active employees	2,346
	4,520

Contributions and Funding Policy

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City from October 2017 through December 2017 was 18.11%, while January 2018 through September 2018 was 17.71%. The City's contributions to TMRS for fiscal year 2018, were $28,953,129, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation:	2.5% per year
Overall payroll growth:	3.0% per year
Investment rate of return:	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males' rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.50 %	4.55 %
International equity	17.50	6.35
Core fixed income	10.00	1.00
Non-core fixed income	20.00	3.90
Real return	10.00	3.80
Real estate	10.00	4.50
Absolute return	10.00	3.75
Private equity	5.00	7.50
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2016	$ 953,581,082	$ 822,330,763	$ 131,250,319
Changes for the year:			
Service cost	28,866,767	-	28,866,767
Interest (on the total pension liability)	64,180,007	-	64,180,007
Difference between expected and actual experience	(4,550,911)	-	(4,550,911)
Benefit payments, including refunds of employee contributions	(34,399,087)	(34,399,087)	-
Contributions - employer	-	28,535,854	(28,535,854)
Contributions - employee	-	11,029,878	(11,029,878)
Net investment income	-	114,003,401	(114,003,401)
Administrative expense	-	(590,653)	590,653
Other	-	(29,932)	29,932
Net changes	54,096,776	118,549,461	(64,452,685)
Balance at December 31, 2017	$ 1,007,677,858	$ 940,880,224	$ 66,797,634

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (5.75%) and 1-percentage-point-higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 209,310,442	$ 66,797,634	$ (50,268,610)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report which may be obtained at www.tmrs.com.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized pension expense of $25,691,236.

At September 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ 604,508	$ (6,482,009)
Difference in assumption changes	-	(308,019)
Difference in projected and actual investment earnings	-	(24,200,604)
Employer contributions subsequent to the measurement date	20,855,875	-
	$ 21,460,383	$ (30,990,632)

Deferred outflows of resources of $20,855,875 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for fiscal year 2019. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in the following fiscal years:

2019	$ (1,438,918)
2020	(3,240,896)
2021	(12,956,375)
2022	(12,468,169)
2023	(281,766)
Total	$ (30,386,124)

B. Retirement Security Plan

Plan Description

On January 1, 1983, the City withdrew from the Federal Social Security system and created the RSP, a single-employer, defined-benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The Plan is created by City ordinance and administered by a committee of five, which meets four times a year. Professional investment management is used and a custodial bank retains the assets and provides for administration of benefit payments.

The Plan issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

As of the December 31, 2017 biennial actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	818
Inactive employees entitled to but not yet receiving benefits	81
Active employees	2,205
	3,104

Retirement benefits become vested after five years of service. Members who terminate employment prior to completing five years of service are not eligible for any benefit and all contributions made on their behalf remain with the plan. Members are eligible to receive full retirement income benefits when they reach age 65 or reduced benefits when they reach a younger age and meet certain length-of-service requirements. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with five years of vesting service. At least five years must be with the City. The RSP provides retirement income benefits, with annual cost-of-living adjustments, based on a member's years of service, average compensation (highest three years of last ten), and choice of single or joint-life monthly payments or a lump-sum payment as noted below.

For normal retirement, the monthly benefit payment is calculated as follows:

> .007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10).

Early retirement benefits paid upon completion of 20 years of vesting (TMRS credited service) or upon attaining age 60 with 5 years of vesting service with the City are calculated as follows:

> .007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60-month period. There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump-sum payment option is available to eligible employees. Lump-sum payments follow these guidelines:

When lump-sum value is less than $5,000, the benefit must be in form of a single lump-sum payment.

When lump-sum value is $5,000 - $25,000, participant has choice of single lump-sum payment or monthly annuity payments.

When lump-sum value exceeds $25,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Additionally, benefits are available for members who become totally and permanently disabled. Each April 1, retirement benefits that have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%), as determined by the Plan's actuary. This cost of living adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

Contributions and Funding Policy

Contributions by the City are established as part of the City budget process and the actuarially determined percentage of each payroll. No employee contributions are required by the plan. The City contributed $5,339,710 for the year ended September 30, 2018.

The contribution amount is a 17-year level percentage of pay funding with a 2.75% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee, and actuarial services are charged to the plan.

Net Pension Asset

The City's net pension asset (NPA) was measured as of December 31, 2017 and the TPL used to calculate the NPA was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of December 31, 2017 using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	17 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.50%
Salary increases:	8.00% to 2.75% including inflation
Investment rate of return:	7.00%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Males rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.
Notes	Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.

Rate of Return

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment
U.S. Government Obligations	1.80 %	18.00 %	0.32 %
Government Agency Obligations	1.80	2.00	4.00
Corporate Bonds	3.10	12.00	0.37
U.S. Large Cap Stocks	5.50	44.00	2.42
U.S. Mid Cap Stocks	7.10	10.00	0.71
U.S. Small Cap Stocks	7.10	3.00	0.21
Foreign Equities	6.60	8.00	0.53
Alternatives (REITS)	5.60	3.00	0.17
		Total Expected Arithmetic Real Return:	4.77 %
		Inflation Assumption for Actuarial Valuation:	2.50
		Total Expected Arithmetic Nominal Return:	7.27 %

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the measurement period ending December 31, 2017. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows as of each year ending December 31, the pension plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

The projection of cash flows used to determine the single discount rate for the Plan assumed that the funding policy adopted by the RSP's Retirement Committee will remain in effect for all future years. Under this funding policy, the City of Plano will finance the unfunded actuarial accrued liability as a level percentage of payroll over the closed period ending September 30, 2035. Under this policy there are 17 years remaining in the amortization period.

Changes in the Net Pension (Asset)/Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balance at December 31, 2016	$ 132,651,136	$ 126,698,362	$ 5,952,774
Changes for the year:			
Service cost	5,073,946	-	5,073,946
Interest (on the total pension liability)	9,960,603	-	9,960,603
Difference between expected and actual experience	(3,005,892)	-	(3,005,892)
Assumption changes	2,989,199	-	2,989,199
Benefit payments	(4,760,146)	(4,760,146)	-
Contributions - employer	-	5,159,461	(5,159,461)
Net investment income	-	21,781,774	(21,781,774)
Administrative expense	-	(363,144)	363,144
Net changes	10,257,710	21,817,945	(11,560,235)
Balance at December 31, 2017	$ 142,908,846	$ 148,516,307	$ (5,607,461)

Sensitivity of the Net Pension (Asset)/Liability to Changes in the Discount Rate

1% Decrease 6.00%	Current Single Rate Assumption 7.00%	1% Increase 8.00%
$ 15,731,003	$ (5,607,461)	$ (23,077,430)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized pension expense of $6,220,184.

At September 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ -	$ (3,301,804)
Difference in assumption changes	7,091,048	-
Difference in projected and actual investment earnings	-	(5,303,987)
Employer contributions subsequent to the measurement date	3,905,566	-
	$ 10,996,614	$ (8,605,791)

Deferred outflows of resources of $3,905,566 related employer contributions subsequent to the measurement date will be recognized as an addition/reduction of the net pension asset/liability for fiscal year 2019. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in the following fiscal years:

2019	$	326,225
2020		209,465
2021		(1,159,305)
2022		(1,714,020)
2023		741,588
Thereafter		81,304
Total	$	(1,514,743)

C. Deferred Compensation Plan

The City offers its employees a deferred compensation plan, which is a defined-contribution benefit plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. Accordingly, the assets of the plan are not reported in the City's basic financial statements.

D. Postemployment Benefits Trust Fund – Section 115 Trust

Plan Description

The City of Plano Section 115 Trust (115 Trust or the Plan) was established on March 1, 2008 to comply with the requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, for the purpose of funding and providing certain benefits to its eligible retirees and dependents, such as medical, dental and vision insurance benefits. It is a single-employer, defined-benefit other postemployment benefit plan (OPEB).

The 115 Trust was created by the City of Plano, Texas (the City) ordinance and is administered by the Risk Pool Trustees, (the Trustees) who meet at least four times a year. The Trustees consist of four City employees who are appointed by the City through the City Manager pursuant to the City of Plano Welfare Benefit Plan. The Trustees oversee the Plan and set policies for operations, including appointing management and directing investment decisions. Professional investment management and an investment consultant are used and a custodial bank retains the assets. Pursuant to Section 6.01 of the Welfare Benefit Plan and Resolution 2007-9-2(R), the City Council has set forth delegation to the City Manager, or his designee, the authority to amend each Plan in any and all respects, except for any amendment that would materially increase the costs of the Plan to the City.

The 115 Trust issued a separate publicly available financial report that includes financial statements and required supplementary information at the 115 Trust's fiscal year-end which is December 31. Those financial reports may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

Benefits Provided

The City offers its retired employees and their dependents under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2018 was 561 of which 247 were on the same plan as the active employees and 314 on Medicare supplementary insurance. Premiums are paid by the retired employees and claims are processed by the City's agent and paid through the Health Claims Fund. Expenditures for postretirement healthcare benefits are recognized as retirees' report claims. Claims paid for retired employees for 2018 were $3,507,950.

As of the December 31, 2017 biennial actuarial valuation, the Trust's membership consisted of the following:

Retirees and dependents currently receiving benefits	339
Terminated members entitled to benefits, but not yet receiving them	132
Active members	2,208
	2,679

Contributions and Funding Policy

The City has the authority to establish and amend the Plan contributions by resolution of the City Council. The City transfers retiree and City contributions to the 115 Trust on a monthly basis. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. Retirees and their dependents currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Monthly retiree premiums contributed to the Plan are based on the benefit election of the Plan member and are as follows:

	MEDICAL PLAN	*DENTAL PLAN*	*VISION PLAN*
Retiree only	$ 538.00	$ 35.16	$ 8.72
Retiree and spouse	1,392.00	69.60	13.94
Retiree and children	994.00	87.32	14.26
Retiree and family	2,006.00	132.80	22.94
Spouse only	854.00	35.16	8.72
Children only	456.00	52.16	8.72
Spouse and children only	1,468.00	97.64	14.22

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of October 1, 2017.

Actuarial Assumptions

The total OPEB liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method :	Entry Age Normal
Amortization method:	Level percentage, closed
Remaining amortization period:	19 years
Amortization growth:	2.75%
Asset valuation method:	Market value
Inflation:	2.50%
Salary increases:	2.75%
Discount rate:	6.75%
Healthcare cost trend rates:	4.30% for 2017, rising and then decreasing to an ultimate rate of 4.10% for 2076 and beyond
Dental cost trend rates:	4.74% for 2017, gradually decreasing to an ultimate rate of 3.83% for 2076 and beyond
Mortality:	
Active participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 0.545 (male) or 0.52 (female) and projected fully generationally using Scale BB.
Retired participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB.
Disabled participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB, with a minimum 3% mortality rate.

Rate of Return

The long-term rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of December 31, 2017.

Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	1.00 %	0.82 %	0.81 %
US Core Fixed Income	22.00	2.75	2.61
US Mortgages	6.00	3.00	2.88
Non-US Bonds	5.00	1.07	0.51
US Large Caps	36.00	4.97	3.77
US Small Growth	2.00	7.34	4.86
US Small Value	3.00	5.64	3.90
US MidCap Growth	7.00	6.57	4.31
US MidCap Value	6.00	5.22	3.77
Non-US Equity	6.00	6.61	4.91
Emerging Markets Equity	2.00	8.76	5.50
US REITs	4.00	5.40	3.62
Assumed Inflation - Mean		2.50 %	2.50 %
Assumed Inflation - Standard Deviation		2.00	2.00
Portfolio Real Mean Return		4.51	3.87
Portfolio Nominal Mean Return		6.99	6.43
Portfolio Standard Deviation		11.12	
Long-Term Expected Rate of Return		6.75 %	

Discount Rate

A single discount rate of 6.75% was used to measure the total OPEB liability. Based on the stated assumptions and the projection of cash flows as of each Plan year, the OPEB plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of the projected benefit payments to determine the total OPEB liability.

The discount rate as of December 2016 was 7.00%.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2016	$ 108,017,765	$ 70,158,981	$ 37,858,784
Changes for the year:			
Service cost	2,631,472	-	2,631,472
Interest (on the total OPEB liability)	7,587,712	-	7,587,712
Difference between expected and actual experience	(1,889,319)	-	(1,889,319)
Changes of assumptions	(17,339,980)	-	(17,339,980)
Benefit payments	(2,505,768)	(2,505,768)	-
Contributions - employer	-	5,585,470	(5,585,470)
Net investment income	-	11,242,528	(11,242,528)
Administrative expense	-	(10,951)	10,951
Net changes	(11,515,883)	14,311,279	(25,827,162)
Balance at December 31, 2017	$ 96,501,882	$ 84,470,260	$ 12,031,622

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower or 1-percentage point higher than the current discount rate.

1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
$ 22,603,220	$ 12,031,622	$ 2,922,419

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate.

1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
$ 6,624,593	$ 12,031,622	$ 18,330,115

OPEB Plan Fiduciary Net Position

The Plan issues a separate financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of $1,703,855. At September 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ -	$ (1,666,838)
Difference in assumption changes	-	(15,298,061)
Difference in projected and actual investment earnings	-	(4,980,648)
Employer contributions subsequent to the measurement date	3,654,566	-
	$ 3,654,566	$ (21,945,547)

Deferred outflows of resources of $3,654,566 related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for fiscal year 2019. Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense in the following fiscal years:

2019	$ (3,509,563)
2020	(3,509,563)
2021	(3,509,563)
2022	(3,509,563)
2023	(2,264,401)
Thereafter	(5,642,894)
Total	$ (21,945,547)

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2018, is as follows (in thousands of dollars):

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Governmental Activities:					
General obligation bonds and certificates of obligation	$ 311,095	$ 77,915	$ (25,935)	$ 363,075	$ 27,260
Tax anticipation notes	16,840	-	(2,830)	14,010	2,945
Deferred amounts:					
Premium	35,599	4,444	(5,222)	34,821	5,087
Total bonds and notes payable	363,534	82,359	(33,987)	411,906	35,292
Compensated absences	38,782	17,980	(16,122)	40,640	4,908
Liability for insurance claims	6,863	33,924	(33,467)	7,320	7,320
Net pension liability	122,319	(63,347)	-	58,972	-
Net OPEB liability	-	10,351	-	10,351	-
Governmental activities Long-term debt	$ 531,498	$ 81,267	$ (83,576)	$ 529,189	$ 47,520
Business-Type Activities:					
Water and Sewer revenue bonds	$ 23,845	$ 11,350	$ (855)	$ 34,340	$ 1,825
Municipal Drainage revenue bonds	17,955	-	(1,840)	16,115	1,680
Deferred amounts:					
Premium	4,417	1,277	(84)	5,610	239
Total bonds payable	46,217	12,627	(2,779)	56,065	3,744
Compensated absences	4,064	1,853	(1,762)	4,155	525
Net pension liability	14,884	(7,059)	-	7,825	-
Net OPEB liability	-	1,681	-	1,681	-
Business-type activities Long-term debt	$ 65,165	$ 9,102	$ (4,541)	$ 69,726	$ 4,269

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 96.5% has been paid by the General Fund, 0.7% by Special Revenue Funds and 2.8% by Internal Service Funds.

Pension and other postemployment benefit liabilities for governmental-type funds are recorded at the government-wide statement level and are primarily liquidated in the General Fund. Liabilities for the proprietary type activities are recorded and liquidated in the fund that incurs the liability.

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 84.6% of the claims and judgments liability. The Enterprise Funds bear approximately 12.1% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 3.0% and 0.3%, respectively.

Long-term debt at September 30, 2018 includes the following individual issues (not including the unamortized premium of $34,821,068 and the unamortized deferred charge on refunding of $6,881,763 of the General Obligation Bonds, and the unamortized premium of $937,171 and unamortized deferred charges of $272,137 of the Municipal Drainage Revenue Bonds and the unamortized premium of $4,672,987 of the Water and Sewer Revenue Bonds).

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2009 Refunding and Improvements	2.25 - 4.75	1/15/2009	9/1/2029	$ 35,330,000	$ 30,125,000	$ 5,205,000
2010 Refunding and Improvements	2.00 - 4.00	1/15/2010	9/1/2030	28,520,000	22,655,000	5,865,000
2011 Various purpose	2.50 - 4.75	1/15/2011	9/1/2031	21,400,000	19,495,000	1,905,000
2011 Refunding and Improvements	2.00 - 5.00	10/15/2011	9/1/2032	46,400,000	23,290,000	23,110,000
2013 Refunding and Improvements	2.00 - 5.00	2/15/2013	9/1/2033	61,925,000	7,525,000	54,400,000
2014 Refunding and Improvements	2.00 - 4.00	4/15/2014	9/1/2034	29,325,000	11,905,000	17,420,000
2015 Refunding and Improvements	2.00 - 5.00	5/1/2015	9/1/2035	75,685,000	30,860,000	44,825,000
2016 Refunding and Improvements	1.00 - 5.00	4/15/2016	9/1/2036	67,195,000	4,445,000	62,750,000
2017 Improvements	2.00 - 5.00	2/1/2017	9/1/2036	41,290,000	1,695,000	39,595,000
2017 Refunding	4.00 - 5.00	8/1/2017	9/1/2031	27,805,000	-	27,805,000
2018 Improvements	3.00 - 5.00	4/15/2018	9/1/2038	77,915,000	-	77,915,000
				$ 512,790,000	$ 151,995,000	$ 360,795,000
Tax Anticipation Notes:						
2009 Tax anticipation notes	2.25 - 3.00	1/15/2009	9/1/2016	$ 6,355,000	$ 6,355,000	$ -
2015 Tax anticipation notes	2.00 - 3.00	5/1/2015	9/1/2021	5,745,000	2,915,000	2,830,000
2017 Tax anticipation notes	4.50 - 5.00	2/1/2017	9/1/2023	13,450,000	2,270,000	11,180,000
				$ 25,550,000	$ 11,540,000	$ 14,010,000
Certificates of Obligation:						
2010 Various purpose	2.00 - 4.00	1/15/2010	9/1/2022	$ 9,660,000	$ 7,380,000	$ 2,280,000
				$ 9,660,000	$ 7,380,000	$ 2,280,000
Water & Sewer Revenue Bonds:						
2016 Improvements	1.00 - 5.00	4/15/2016	5/1/2036	$ 24,775,000	$ 1,785,000	$ 22,990,000
2018 Improvements	3.00 - 5.00	4/15/2018	5/1/2028	11,350,000	-	11,350,000
				$ 36,125,000	$ 1,785,000	$ 34,340,000
Municipal Drainage Revenue Bonds:						
2009 Refunding and Improvements	3.00 - 3.50	1/15/2009	5/15/2029	$ 4,790,000	$ 4,160,000	$ 630,000
2010 Refunding and Improvements	2.00 - 4.25	1/15/2010	5/15/2030	6,790,000	2,975,000	3,815,000
2015 Refunding	2.00 - 4.00	5/1/2015	5/15/2027	7,105,000	2,945,000	4,160,000
2017 Refunding and Improvements	2.00 - 5.00	2/1/2017	5/15/2036	8,035,000	525,000	7,510,000
				$ 26,720,000	$ 10,605,000	$ 16,115,000

The annual requirements to amortize debt outstanding as of September 30, 2018, including interest payments of $146,995,089 follow (noted in thousands).

Year Ended September 30	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Water & Sewer		Municipal Drainage	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	$ 30,205	$ 17,355	$ 1,825	$ 1,446	$ 1,680	$ 578
2020	27,525	15,094	1,855	1,411	1,535	534
2021	27,830	13,797	1,935	1,337	1,580	483
2022	26,810	12,477	2,020	1,250	1,325	432
2023	26,925	11,174	2,110	1,158	1,365	390
2024-2028	112,390	38,174	12,240	4,112	4,965	1,301
2029-2033	79,355	17,383	7,265	1,913	2,405	512
2034-2038	46,045	4,169	5,090	413	1,260	102
Total	$ 377,085	$ 129,623	$ 34,340	$ 13,040	$ 16,115	$ 4,332

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Water and Sewer Fund and the Municipal Drainage Fund.

A. General Obligation Bonds and Certificates

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has $6,571,577 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various general obligation bonds and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2018.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. Beginning in 1992, the City paid five-year rebates, as required. There are no future rebates estimated as of September 30, 2018. As provided for by the bond indentures, this amount has been recorded in the General Fund in "Due to other governments" for the benefit of the federal government and will be paid as required by applicable regulations.

In May 2018, the City issued $77,915,000 in General Obligation improvements bonds, with interest rates ranging from 3.0% to 5.0%.

B. Water and Sewer Revenue Bonds

The Water and Sewer Revenue Bonds are secured by the net revenues of the Water and Sewer Fund as defined in the respective bond indentures.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2018, $822,102 is restricted within the Water and Sewer Fund for debt service requirements.

A reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

In May 2018, the City issued $11,350,000 in Water and Sewer revenue bonds, with interest ranging from 3.0% to 5.0%.

Bond proceeds since 1988 are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2018. The City is in compliance with all requirements of the bond ordinances for the year ended September 30, 2018.

Restricted assets of the Water and Sewer Fund at September 30, 2018 are as follows:

Cash and cash equivalents	$	2,914,767
Investments		9,596,751
Accrued interest receivable		36,597
	$	12,548,115

C. Municipal Drainage Revenue Bonds

These bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2018, $2,633,739 is restricted within the Municipal Drainage Fund for debt service requirements.

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2018, the reserve required and restricted within the Municipal Drainage Fund is $1,135,925.

Municipal Drainage revenue bonds are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2018. The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2018.

Restricted assets of the Municipal Drainage Fund at September 30, 2018 are as follows:

Cash and cash equivalents	$	875,645
Investments		2,883,025
Accrued interest receivable		10,994
	$	3,769,664

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2018 is as follows:

Due To Other Funds	Due From Other Funds		
	General Fund	Capital Maintenance	Total
Nonmajor Governmental Funds	$ 1,046,573	$ -	$ 1,046,573
Internal Service	-	108,000	108,000
Total	$ 1,046,573	$ 108,000	$ 1,154,573

Due to and due from entries are primarily used to account for cash owed between funds that are expected to be repaid within one year or less.

The City performs a calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Environmental Waste Services funds and is, therefore, appropriately reported as an expense as opposed to a transfer. During fiscal year 2018, charges in lieu of taxes were $12,366,054.

Transfers between funds during the year were as follows:

Transfers Out	Transfers In						
	General Fund	Capital Maintenance	Park Improvements	Internal Service	Blended Component Units	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 25,869,000	$ -	$ 795,827	$ 50,000	$ 250,000	$ 26,964,827
Municipal Facilities	-	-	830,000	-	-	-	830,000
Internal Service	-	-	-	-	-	250,000	250,000
Water and Sewer	7,262,230	2,000,000	-	-	-	-	9,262,230
Municipal Drainage	528,073	500,000	-	-	-	-	1,028,073
Blended Component Units	7,266	-	1,000,000	2,922	-	-	1,010,188
Nonmajor Governmental Funds	-	-	-	-	-	2,897	2,897
Nonmajor Enterprise Funds	829,594	1,440,000	-	-	-	-	2,269,594
Total	$ 8,627,163	$ 29,809,000	$ 1,830,000	$ 798,749	$ 50,000	$ 502,897	$ 41,617,809

The City performs a cost allocation to determine the portion of indirect expenses that will be reimbursed by the respective business-type activities to the General Fund. The City funds the Capital Maintenance fund by transferring amounts from the General Fund and Water and Sewer fund each year based on a portion of depreciation.

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

8. TAX ABATEMENTS AND ECONOMIC DEVELOPMENT INCENTIVES

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property and sales tax revenues. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act) and Chapter 312 (Property Redevelopment and Tax Abatement) of the Texas Tax Code. The economic development agreements are designed to support the creation of new businesses, the expansion and retention of existing businesses within the City, and the attraction of companies that offer high impact jobs and share the community's values. Recipients may be eligible to receive economic

assistance based on the employment, economic or community impact of the project requesting assistance. Recipients generally commit to building or remodeling real property and related infrastructure, redeveloping properties, expanding operations or bringing targeted business to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has the following categories of economic development agreements:

- Tax Abatements - The City of Plano offers tax abatement on improvements to real and business personal property as directed under Chapter 312 of the Texas Tax Code. The abatements allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants with underlying goals to further economic development in Plano. Real Property abatements are offered to applicants that pursue the construction of new or expanded facilities in which to house the applicable project. The abatement applies to the assessed value of the improvements made. Business Personal Property abatements are offered to applicants that pursue the purchase or long-term lease of existing facilities. The abatement applies to the assessed value of new personal property brought into the taxing jurisdiction. Property taxes abated under this program in fiscal year 2018 are $1,983,698.

- Economic Development - In 2006, a property tax increase of two-cents per $100 valuation was approved by City Council that is dedicated to economic development. Chapter 380 of the Texas Local Government Code allows municipalities to establish and provide programs to promote state or local economic development and to stimulate business and commercial activity. The City's economic development program offers incentives to provide a competitive advantage, foster relocation, encourage employment retention or growth and/or assist in public infrastructure improvements within the City. For fiscal year 2018, the City paid incentives of $12,622,684.

- Tax Increment Financing - The City has a TIF zone under Chapter 311 of the State of Texas Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are described in section I.B. of the footnotes. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. The City paid $3,443,743 in obligations in fiscal year 2018.

9. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT AND SOLID WASTE DISPOSAL:

The City secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements. A portion of the outstanding bonds of the District is contract revenue bonds based on contracts with certain member cities of the District. The City provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the

premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District.

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000 gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2018 was $72,334,642. The City has also contracted for water transmission facility improvements and pays the District for debt service for bonds issued to fund the improvements. For fiscal year 2018, this payment was $222,525. There are no future payments to debt service as the City has fulfilled its commitment.

Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system, repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities during such fiscal year. No city will exercise oversight responsibility for the District and no city is liable for the District's debt. The City's payment for the year ended September 30, 2018 was $31,430,015, net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment for the year ended September 30, 2018 was $8,604,886.

10. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of $73,901,353 in the Capital Projects Funds, $7,928,250 in the Water and Sewer Fund, and $2,338,322 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the Capital Projects Funds, revenue bond proceeds in the Water and Sewer Fund and operating revenues in the Municipal Drainage Fund.

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. It is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

11. SELF-INSURANCE:

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Property/Liability Loss Fund (Internal Service) has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required.

Group medical benefits are paid from the Health Claims Fund (Internal Service), which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage.

The liabilities for insurance claims reported in each of the funds are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. The claims payable also includes amounts to record flooding damage for City equipment estimated at $265,000. Change in each fund's claims liability amount in fiscal years 2018 and 2017 was as follows:

Fund	Liability, Beginning of year	Current year Claims and Changes in Estimates	Claim Payments	Liability, End of year
2018				
Property/Liability Loss	$ 4,308,359	$ 5,997,560	$ (5,514,920)	$ 4,790,999
Health Claims	2,554,507	27,925,993	(27,951,945)	2,528,555
Total	$ 6,862,866	$ 33,923,553	$ (33,466,865)	$ 7,319,554
2017				
Property/Liability Loss	$ 3,460,122	$ 7,596,312	$ (6,748,075)	$ 4,308,359
Health Claims	2,437,658	26,798,358	(26,681,509)	2,554,507
Total	$ 5,897,780	$ 34,394,670	$ (33,429,584)	$ 6,862,866

Plano
City of Excellence

REQUIRED SUPPLEMENTARY INFORMATION

FOR FISCAL YEAR ENDED

SEPTEMBER 30, 2018

CITY OF PLANO, TEXAS

Plano
City of Excellence

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
(UNAUDITED)

	Budgeted Amounts					
	Original	Final	Actual	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
REVENUES:						
Taxes:						
Property taxes	$ 133,194,402	$ 133,052,828	$ 132,974,743	$ (775,587)	$ 132,199,156	$ (853,672)
Sales taxes	77,478,415	78,129,630	85,592,104	-	85,592,104	7,462,474
Other taxes	2,134,951	2,298,822	2,422,242	-	2,422,242	123,420
Franchise fees	22,373,304	24,129,575	24,354,134	-	24,354,134	224,559
Fines and forfeitures	6,468,799	5,992,403	6,304,020	-	6,304,020	311,617
Licenses and permits	10,103,663	9,272,015	9,521,069	-	9,521,069	249,054
Intragovernmental	12,366,054	12,366,054	12,366,054	-	12,366,054	-
Intergovernmental	1,093,645	1,543,801	1,526,803	-	1,526,803	(16,998)
Fees for services	14,349,283	14,265,210	13,765,830	-	13,765,830	(499,380)
Investment income	900,000	750,000	890,026	-	890,026	140,026
Miscellaneous	1,923,068	1,871,835	1,803,509	-	1,803,509	(68,326)
Total revenues	282,385,584	283,672,173	291,520,534	(775,587)	290,744,947	7,072,774
EXPENDITURES:						
General government	31,767,254	29,167,768	29,285,243	(658,064)	28,627,179	540,589
Administrative services	11,505,205	12,146,899	11,242,058	225,089	11,467,147	679,752
Police	82,303,083	83,424,935	82,593,694	391,869	82,985,563	439,372
Fire	60,256,800	60,524,020	60,502,261	433,446	60,935,707	(411,687)
Libraries	11,003,512	11,537,624	11,232,288	40,177	11,272,465	265,159
Development	35,172,539	35,447,056	33,470,968	1,196,436	34,667,404	779,652
Public services and operations	6,970,615	7,292,239	6,956,478	25,108	6,981,586	310,653
Parks and recreation	28,163,997	28,518,169	25,293,952	586,185	25,880,137	2,638,032
Public works	7,318,314	7,490,043	7,427,734	116,644	7,544,378	(54,335)
Technology services	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Capital outlay	1,572,020	5,341,261	3,599,793	2,001,403	5,601,196	(259,935)
Total expenditures	277,033,339	281,890,014	272,604,469	4,358,293	276,962,762	4,927,252
Excess (deficiency) of revenues over (under) expenditures	5,352,245	1,782,159	18,916,065	(5,133,880)	13,782,185	12,000,026
OTHER FINANCING SOURCES (USES):						
Transfers in	8,475,911	8,619,897	8,627,163	-	8,627,163	7,266
Transfers out	(26,619,000)	(26,619,000)	(26,964,827)	-	(26,964,827)	(345,827)
Total other financing uses	(18,143,089)	(17,999,103)	(18,337,664)	-	(18,337,664)	(338,561)
Net change in fund balance	(12,790,844)	(16,216,944)	578,401	(5,133,880)	(4,555,479)	11,661,465
FUND BALANCE, October 1	51,635,123	51,635,123	51,635,123	-	51,635,123	-
FUND BALANCE, September 30	$ 38,844,279	$ 35,418,179	$ 52,213,524	$ (5,133,880)	$ 47,079,644	$ 11,661,465

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(UNAUDITED)

	Net Change in Fund Balance
GAAP basis	$ 578,401
Revenues:	
Decrease due to rolled back taxes	(775,587)
Expenditures:	
Increase due to encumbrances	(4,358,293)
Budgetary basis	$ (4,555,479)

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST FOUR YEARS
(UNAUDITED)

Fiscal year ending December 31,	2014	2015	2016	2017
Total pension liability				
Service cost	$ 22,556,087	$ 25,341,004	$ 27,113,143	$ 28,866,767
Interest (on the total pension liability)	55,667,118	59,290,515	60,407,716	64,180,007
Difference between expected and actual experience	(122,591)	(6,117,445)	950,930	(4,550,911)
Change of assumptions	-	(685,185)	-	-
Benefit payments, including refunds of employee contributions	(26,400,655)	(29,059,878)	(32,526,510)	(34,399,087)
Net change in total pension liability	51,699,959	48,769,011	55,945,279	54,096,776
Total pension liability - beginning	797,166,833	848,866,792	897,635,803	953,581,082
Total pension liability - ending (a)	848,866,792	897,635,803	953,581,082	1,007,677,858
Plan fiduciary net position				
Contributions - employer	28,690,370	25,429,543	26,761,281	28,535,854
Contributions - employee	9,684,277	9,831,426	10,345,977	11,029,878
Net investment income	40,500,200	1,121,428	51,816,415	114,003,401
Benefit payments, including refunds of employee contributions	(26,400,655)	(29,059,878)	(32,526,510)	(34,399,087)
Administrative expense	(422,815)	(683,011)	(585,071)	(590,653)
Other	(34,762)	(33,734)	(31,522)	(29,932)
Net change in plan fiduciary net position	52,016,615	6,605,774	55,780,570	118,549,461
Plan fiduciary net position - beginning	707,927,804	759,944,419	766,550,193	822,330,763
Plan fiduciary net position - ending (b)	759,944,419	766,550,193	822,330,763	940,880,224
Net pension liability (a) - (b)	$ 88,922,373	$131,085,610	$131,250,319	$ 66,797,634
Plan fiduciary net position as a percentage of the total pension liability	89.52%	85.40%	86.24%	93.37%
Covered - employee payroll	$ 138,229,574	$140,393,376	$147,755,548	$ 157,569,687
Net pension liability as a percentage of covered employee payroll	64.33%	93.37%	88.83%	42.39%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST FOUR YEARS
(UNAUDITED)

Fiscal year ending September 30,	2015	2016	2017	2018
Actuarially determined contributions	$ 25,309,703	$ 26,364,866	$ 28,074,675	$ 28,953,129
Contributions in relation to the actuarially determined contribution	28,309,703	26,364,866	28,074,675	28,953,129
Contribution deficiency (excess)	$ (3,000,000)	$ -	$ -	$ -
Covered employee payroll	$ 138,720,040	$ 145,557,931	$ 155,007,834	$ 162,477,475
Contributions as a percentage of covered employee payroll	20.41%	18.11%	18.11%	17.82%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	28 years
Asset valuation method:	10 year smoothed market; 15% soft corridor
Inflation:	2.5%
Salary increases:	3.5% to 10.5% including inflation
Investment rate of return:	6.75%
Retirement age:	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality:	RP2000 Combine Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes	There were no benefit changes during the year.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SECURITY PLAN
SCHEDULE OF CHANGES IN NET PENSION (ASSET)/LIABILITY AND RELATED RATIOS
LAST FOUR YEARS
(UNAUDITED)

Fiscal year ending December 31,	2014	2015	2016	2017
Total pension liability				
Service cost	$ 3,674,544	$ 3,803,153	$ 4,716,387	$ 5,073,946
Interest (on the total pension liability)	7,802,936	8,412,933	9,240,119	9,960,603
Difference between Expected and Actual Experience	-	(1,059,691)	-	(3,005,892)
Assumption Changes	-	7,094,524	-	2,989,199
Benefit payments	(3,518,902)	(3,822,305)	(4,297,533)	(4,760,146)
Net change in total pension liability	7,958,578	14,428,614	9,658,973	10,257,710
Total pension liability - beginning	100,604,971	108,563,549	122,992,163	132,651,136
Total pension liability - ending (a)	108,563,549	122,992,163	132,651,136	142,908,846
Plan Fiduciary Net Position				
Contributions - employer	4,037,995	3,959,196	4,133,463	5,159,461
Net investment income	8,012,049	2,076,698	6,276,782	21,781,774
Benefit payments	(3,518,902)	(3,822,305)	(4,297,533)	(4,760,146)
Administrative expense	(278,376)	(327,528)	(336,043)	(363,144)
Other	(22,051)	-	-	-
Net change in plan fiduciary net position	8,230,715	1,886,061	5,776,669	21,817,945
Plan fiduciary net position - beginning	110,804,917	119,035,632	120,921,693	126,698,362
Plan fiduciary net position - ending (b)	119,035,632	120,921,693	126,698,362	148,516,307
Net pension (asset)/liability (a) - (b)	$ (10,472,083)	$ 2,070,470	$ 5,952,774	$ (5,607,461)
Plan fiduciary net position as a percentage of the total pension liability	109.65%	98.32%	95.51%	103.92%
Covered - employee payroll	$ 117,023,684	$130,412,851	$132,482,794	$142,526,560
Net pension (asset)/liability as a percentage of covered employee payroll	(8.95)%	1.59%	4.49%	(3.93)%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT SECURITY PLAN
SCHEDULE OF CONTRIBUTIONS
LAST FOUR YEARS
(UNAUDITED)

Fiscal year ending September 30,	2015	2016	2017	2018
Actuarially determined contributions	$ 3,908,790	$ 4,081,765	$ 4,880,321	$ 5,339,710
Contributions in relation to the actuarially determined contribution	3,908,790	4,081,765	4,880,321	5,339,710
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered employee payroll	$ 125,281,726	$130,825,766	$139,928,684	$147,505,817
Contributions as a percentage of covered employee payroll	3.12%	3.12%	3.49%	3.62%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	17 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.50%
Salary increases:	8.00% to 2.75% including inflation
Investment rate of return:	7.00%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Males rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS 115 TRUST
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST YEAR
(UNAUDITED)

Fiscal year ending December 31,	2017
Total OPEB liability	
Service cost	$ 2,631,472
Interest (on the total OPEB liability)	7,587,712
Effect of economic/demographic gains or losses	(1,889,319)
Change of assumptions	(17,339,980)
Benefit payments, including refunds of employee contributions	(2,505,768)
Net change in total OPEB liability	(11,515,883)
Total OPEB liability - beginning	108,017,765
Total OPEB liability - ending (a)	96,501,882
Plan fiduciary net position	
Contributions - employer	5,585,470
Net investment income	11,242,528
Benefit payments, including refunds of employee contributions	(2,505,768)
Administrative expense	(10,951)
Net change in plan fiduciary net position	14,311,279
Plan fiduciary net position - beginning	70,158,981
Plan fiduciary net position - ending (b)	84,470,260
Net OPEB liability (a) - (b)	$ 12,031,622
Plan fiduciary net position as a percentage of the total OPEB liability	87.53%
Covered - employee payroll	$ 148,694,595
Net OPEB liability as a percentage of covered employee payroll	8.09%

Note: GASB 75 requires 10 fiscal years of data. As a result of the City implementing GASB 75 in fiscal year 2018, this schedule will be built to show the remaining reporting requirement.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS 115 TRUST
SCHEDULE OF CONTRIBUTIONS
LAST YEAR
(UNAUDITED)

Fiscal year ending September 30,	2018
Actuarially determined contributions	$ 5,044,806
Contributions in relation to the actuarially determined contribution	3,774,139
Contribution deficiency (excess)	$ 1,270,667
Covered employee payroll	$ 152,783,696
Contributions as a percentage of covered employee payroll	2.47%

Note: GASB 75 requires 10 fiscal years of data. As a result of the City implementing GASB 75 in fiscal year 2018, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes	The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 19-year period. Actuarial valuations have been performed biennially as of October 1. The most recent valuation was performed as of October 1, 2017.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	19 years
Asset valuation method:	Market value
Inflation:	2.5%
Salary increases:	2.75%
Investment rate of return:	6.75%
Healthcare cost trend rates:	4.30% for 2017, rising and then decreasing to an ultimate rate of 4.10% for 2076 and beyond
Dental cost trend rates:	4.74% for 2017, gradually decreasing to an ultimate rate of 3.83% for 2076 and beyond
Mortality:	
Active participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 0.545 (male) or 0.52 (female) and projected fully generationally using Scale BB.
Retired participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB.
Disabled participants	Sex Distinct RP 2000 Combined Healthy Mortality Table with Blue Collar adjustment with rates multiplied by 1.09 (male) or 1.03 (female) and projected fully generationally using Scale BB, with a minimum 3% mortality rate.

COMBINING FINANCIAL STATEMENTS

FOR FISCAL YEAR ENDED

SEPTEMBER 30, 2018

CITY OF PLANO, TEXAS

Plano
City of Excellence

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

CRIMINAL INVESTIGATION FUND – to account for any monies taken into police custody as a result of police investigation. These monies are to be spent only on law enforcement activities as provided by state statute.

GRANT FUND – to account for monies received from other governmental agencies.

PLANO TELEVISION (PTV) FUND – to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

PUBLIC SAFETY COMMUNICATIONS – to account for 9-1-1 reserve fund monies received from wireless communication fees to be used for related 9-1-1 services; and intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

MUNICIPAL COURT – to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; judicial efficiency state fees collected for payment on any part of a judgment on or after the 31st date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency; juvenile case managers supervise youth under 17 years of age who have been charged with a crime, fees received are used to fund a portion of the juvenile case manager position; traffic safety fees collected in relation to motor vehicle code violations which are used for public safety purposes; child safety fees collected from $1 for each registered vehicle, these fees are used to fund the school crossing guard program and other child safety related programs.

MEMORIAL LIBRARY FUND – to account for monies received in support of the City's library.

SEIZED ASSETS FUND – to account for the seizure and disposition of assets confiscated by local law enforcement agencies.

LIBRARIES – to account for library training lab monies received from the Bill and Melinda Gates Foundation for the establishment of a library training lab; and Sproles library fund monies received in support of the City's library.

ANIMAL SHELTER DONATIONS – to account for donations to assist the animal shelter.

COMMUNITY PARAMEDIC PROGRAM – to account for donations from local hospitals to increase the overall well-being of patients recently discharged from the hospital enabling paramedics to better assist Plano residents who frequently use the 9-1-1 system.

BLENDED COMPONENT UNITS:

PUBLIC IMPROVEMENT DISTRICT – organized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value.

PLANO IMPROVEMENT CORPORATION – organized as a legally separate, nonprofit entity that serves the citizens of the City by facilitating real estate transactions and serve as an independent foundation for acceptance of donations.

LEGACY AREA TRANSPORTATION MANAGEMENT ASSOCIATION – organized to solve transportation concerns and funded through membership dues paid by contributing businesses in the area.

CAPITAL PROJECTS FUNDS:

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other government.

The City's nonmajor Capital Projects Funds are as follows:

DART – to account for the financing and construction of street modifications necessary to accommodate the public transportation system. Funds are provided through the DART Local Assistance Program.

PUBLIC INFRASTRUCTURE – to account for Improvements to City of Plano owned infrastructure related to existing commercial facilities, including streets, utilities, open space and other infrastructure.

PARK SERVICES – to account for building permit fees exclusively for the acquisition and development of new neighborhoods and parks.

Plano
City of Excellence

CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2018

	Special Revenue			
	Criminal Investigation	**Grant**	**PTV**	**Public Safety Communications**
ASSETS				
Cash and cash equivalents	$ 1,074,166	$ 1,003,827	$ 445,077	$ 4,183,054
Investments	3,536,646	252,782	1,465,396	13,772,529
Receivables (net of allowance for uncollectible)				
Accounts	-	225	-	12,217
Accrued interest	13,487	964	5,588	52,520
Other	-	821,490	-	-
Due from other governments	9,970	1,289,716	-	107,903
Prepaid items and other assets	-	39	1,080	-
Total assets	$ 4,634,269	$ 3,369,043	$ 1,917,141	$ 18,128,223
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 32,450	$ 155,190	$ 20,085	$ 11,059
Accrued liabilities	9,276	9,665	16,863	-
Contracts payable	-	-	-	-
Unearned revenue	-	1,821,840	-	-
Due to other funds	-	1,046,573	-	-
Due to other governments	-	-	-	-
Retainage payable	-	-	-	-
Seized assets payable	-	-	-	-
Total liabilities	41,726	3,033,268	36,948	11,059
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,444	691,872	-	-
Fund Balances:				
Nonspendable:				
Prepaid items and other assets	-	39	1,080	-
Restricted for:				
Capital projects	-	-	-	-
Special revenue	4,591,099	-	1,879,113	18,117,164
Blended component unit	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned				
Special revenue	-	(356,136)	-	-
Total fund balances	4,591,099	(356,097)	1,880,193	18,117,164
Total liabilities, deferred inflows, and fund balance	$ 4,634,269	$ 3,369,043	$ 1,917,141	$ 18,128,223

Special Revenue						
Municipal Court	Memorial Library	Seized Assets	Libraries	Animal Shelter Donations	Community Paramedic Program
$ 4,415,484	$ 88,927	$ 32,005	$ 7,997	$ 48,544	$ 27,666
14,537,798	292,789	105,377	26,328	159,829	91,089
335,745	-	-	-	377	-
55,439	1,116	402	100	610	348
-	-	-	-	-	-
101,751	-	-	-	-	-
15,722	-	-	-	-	-
$ 19,461,939	$ 382,832	$ 137,784	$ 34,425	$ 209,360	$ 119,103
$ 944,741	$ -	$ -	$ -	$ -	$ -
12,915	-	-	-	-	4,677
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,439,610	-	-	-	-	-
-	-	-	-	-	-
-	-	137,784	-	-	-
3,397,266	-	137,784	-	-	4,677
-	-	-	-	-	-
15,722	-	-	-	-	-
-	-	-	-	-	-
16,048,951	382,832	-	34,425	209,360	114,426
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,064,673	382,832	-	34,425	209,360	114,426
$ 19,461,939	$ 382,832	$ 137,784	$ 34,425	$ 209,360	$ 119,103

(continued)

CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2018
(continued)

	Blended Component Units		
	Public Improvement District	**Plano Improvement Corporation**	**Transportation Management Association**
ASSETS			
Cash and cash equivalents	$ 4,633	$ 106,685	$ 11,300
Investments	15,314	-	-
Receivables (net of allowance for uncollectible)			
Accounts	-	-	-
Accrued interest	-	-	-
Other	-	-	-
Due from other governments	-	-	-
Prepaid items and other assets	-	9,360	-
Total assets	$ 19,947	$ 116,045	$ 11,300
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 75	$ 12,625	$ -
Accrued liabilities	-	-	-
Contracts payable	-	-	-
Unearned revenue	-	955	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Retainage payable	-	-	-
Seized assets payable	-	-	-
Total liabilities	75	13,580	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Fund Balances:			
Nonspendable:			
Prepaid items and other assets	-	9,360	-
Restricted for:			
Capital projects	-	-	-
Special revenue	-	-	-
Blended component unit	19,872	93,105	11,300
Assigned to:			
Capital projects	-	-	-
Unassigned			
Special revenue	-	-	-
Total fund balances	19,872	102,465	11,300
Total liabilities, deferred inflows, and fund balance	$ 19,947	$ 116,045	$ 11,300

Capital Projects			Total Nonmajor Governmental Funds
DART	Public Infrastructure	Park Services	
$ 26,355	$ 408,970	$ 1,162,194	$ 13,046,884
86,772	1,346,518	3,826,473	39,515,640
-	-	-	348,564
331	5,135	14,592	150,632
-	-	-	821,490
-	-	-	1,509,340
-	-	-	26,201
$ 113,458	$ 1,760,623	$ 5,003,259	$ 55,418,751
$ -	$ 1,100	$ -	$ 1,177,325
-	-	-	53,396
72,375	-	-	72,375
-	-	-	1,822,795
-	-	-	1,046,573
-	-	-	2,439,610
25,513	-	-	25,513
-	-	-	137,784
97,888	1,100	-	6,775,371
-	-	-	693,316
-	-	-	26,201
-	1,759,523	-	1,759,523
-	-	-	41,377,370
-	-	-	124,277
15,570	-	5,003,259	5,018,829
			-
-	-	-	(356,136)
15,570	1,759,523	5,003,259	47,950,064
$ 113,458	$ 1,760,623	$ 5,003,259	$ 55,418,751

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue			
	Criminal Investigation	Grant	PTV	Public Safety Communications
REVENUES				
Fines and forfeitures	$ 654,141	$ -	$ -	$ -
Contributions	-	-	-	-
Intergovernmental	37,117	2,966,115	-	115,200
Fees for services	-	-	734,018	1,617,464
Assessed taxes	-	-	-	-
Loan repayments	-	26,190	-	-
Investment income	-	13,966	17,512	172,701
Miscellaneous	8,900	-	-	-
Total revenues	700,158	3,006,271	751,530	1,905,365
EXPENDITURES				
Police	372,807	587,090	-	462,034
Fire	-	769,977	-	94,633
Libraries	-	114,422	-	-
Development	-	1,736,119	-	-
Public services and operations	-	-	955,369	23,895
Capital outlay	32,482	173,181	154,761	-
Total expenditures	405,289	3,380,789	1,110,130	580,562
Excess (deficiency) of revenues over (under) expenditures	294,869	(374,518)	(358,600)	1,324,803
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	500,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	500,000	-
Net change in fund balances	294,869	(374,518)	141,400	1,324,803
Fund balances-beginning	4,296,230	18,421	1,738,793	16,792,361
Fund balances-ending	$ 4,591,099	$ (356,097)	$ 1,880,193	$ 18,117,164

Special Revenue				
Municipal Court	Memorial Library	Libraries	Animal Shelter Donations	Community Paramedic Program
$ 6,511,055	$ -	$ -	$ -	$ -
-	9,856	-	62,616	132,343
-	-	-	-	-
975,080	-	-	-	-
-	-	-	-	-
-	-	-	-	-
177,891	3,730	337	2,506	999
-	-	-	-	-
7,664,026	13,586	337	65,122	133,342
7,055,764	-	-	-	-
-	-	-	-	92,974
-	276	-	-	-
-	-	-	-	-
-	-	-	2,195	-
196,093	6,356	-	100,000	25,000
7,251,857	6,632	-	102,195	117,974
412,169	6,954	337	(37,073)	15,368
-	2,897	-	-	-
-	-	(2,897)	-	-
-	2,897	(2,897)	-	-
412,169	9,851	(2,560)	(37,073)	15,368
15,652,504	372,981	36,985	246,433	99,058
$ 16,064,673	$ 382,832	$ 34,425	$ 209,360	$ 114,426

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(continued)

	Blended Component Units		
	Public Improvement District	**Plano Improvement Corporation**	**Transportation Management Association**
REVENUES			
Fines and forfeitures	$ -	$ -	$ -
Contributions	-	1,288,790	1,300
Intergovernmental	-	-	-
Fees for services	-	-	-
Assessed taxes	79,560	-	-
Loan repayments	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
Total revenues	79,560	1,288,790	1,300
EXPENDITURES			
Police	-	-	-
Fire	-	-	-
Libraries	-	-	-
Development	144,862	223,333	-
Public services and operations	-	-	-
Capital outlay	-	-	-
Total expenditures	144,862	223,333	-
Excess (deficiency) of revenues over (under) expenditures	(65,302)	1,065,457	1,300
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	-	-
Transfers out	-	(1,010,188)	-
Total other financing sources (uses)	50,000	(1,010,188)	-
Net change in fund balances	(15,302)	55,269	1,300
Fund balances-beginning	35,174	47,196	10,000
Fund balances-ending	$ 19,872	$ 102,465	$ 11,300

Capital Projects			Total Nonmajor Governmental Funds
DART	Public Infrastructure	Park Services	
$ -	$ -	$ -	$ 7,165,196
-	-	-	1,494,905
93,525	-	-	3,211,957
-	-	139,802	3,466,364
-	-	-	79,560
-	-	-	26,190
1,545	15,846	49,212	456,245
-	-	-	8,900
95,070	15,846	189,014	15,909,317
-	-	-	8,477,695
-	-	-	957,584
-	-	-	114,698
-	117,610	-	2,221,924
-	-	-	981,459
258,394	-	632,700	1,578,967
258,394	117,610	632,700	14,332,327
(163,324)	(101,764)	(443,686)	1,576,990
-	-	-	552,897
-	-	-	(1,013,085)
-	-	-	(460,188)
(163,324)	(101,764)	(443,686)	1,116,802
178,894	1,861,287	5,446,945	46,833,262
$ 15,570	$ 1,759,523	$ 5,003,259	$ 47,950,064

Plano
City of Excellence

CITY OF PLANO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes	$ 44,913,193	$ 44,993,267	$ 45,071,476	$ 78,209
Investment income	200,000	262,000	322,477	60,477
Miscellaneous	151,994	151,994	151,994	-
Total revenues	45,265,187	45,407,261	45,545,947	138,686
EXPENDITURES:				
Principal retirement	28,765,000	28,765,000	28,765,000	-
Interest and fiscal charges	16,509,505	14,651,705	14,650,303	1,402
Total expenditures	45,274,505	43,416,705	43,415,303	1,402
Net change in fund balance	(9,318)	1,990,556	2,130,644	140,088
FUND BALANCE, October 1	4,440,933	4,440,933	4,440,933	-
FUND BALANCE, September 30	$ 4,431,615	$ 6,431,489	$ 6,571,577	$ 140,088

Plano
City of Excellence

NONMAJOR ENTERPRISE FUNDS

Following are the nonmajor Enterprise Funds:

CONVENTION AND TOURISM FUND – to account for the convention and tourism activities of the City's Plano Event Center and Visit Plano operations.

MUNICIPAL GOLF COURSE FUND – to account for operation of the City's golf course, including administration, operation and maintenance. All costs are financed through fees charged to patrons.

DOWNTOWN CENTER DEVELOPMENT FUND – to account for improvements and activities in support of the City's downtown area.

RECREATION REVOLVING FUND – to account for recreational programs and activities that are offered to groups and individuals on a fee basis. Fees are adjusted periodically to cover the cost of providing each program.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AS OF SEPTEMBER 30, 2018

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
ASSETS					
Cash and cash equivalents	$ 1,311,788	$ 6,816	$ 149,267	$ 726,408	$ 2,194,279
Investments	4,303,969	22,441	491,456	2,391,666	7,209,532
Receivables:					
Accounts	489,721	9,069	17,120	59,585	575,495
Accrued interest	16,413	86	1,874	9,120	27,493
Other	16,564	-	-	792	17,356
Prepaid expenses and other assets	446,008	-	-	21,617	467,625
Net pension asset	76,110	14,934	-	17,453	108,497
Capital assets:					
Land	2,359,859	595,296	36,999	-	2,992,154
Public art	-	-	50,000	-	50,000
Buildings	11,354,841	2,427,383	-	-	13,782,224
Improvements other than buildings	790,021	1,247,352	-	1,481,980	3,519,353
Equipment	1,497,133	40,278	-	247,896	1,785,307
Furniture and fixtures	185,185	14,915	-	69,874	269,974
Less accumulated depreciation	(13,212,607)	(3,729,928)	-	(260,270)	(17,202,805)
Total capital assets (net of accumulated depreciation)	2,974,432	595,296	86,999	1,539,480	5,196,207
Total assets	9,635,005	648,642	746,716	4,766,121	15,796,484
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	428,172	95,142	-	72,029	595,343
Deferred outflows from other post employment benefits	57,377	13,156	-	14,618	85,151
	485,549	108,298	-	86,647	680,494
LIABILITIES					
Current liabilities:					
Accounts payable	184,066	5,417	15,000	17,033	221,516
Accrued liabilities	159,299	15,983	-	45,860	221,142
Unearned revenue	322,542	-	-	1,737,258	2,059,800
Customer deposits	-	-	-	189,449	189,449
Liability for compensated absences	4,079	-	-	934	5,013
Total current liabilities	669,986	21,400	15,000	1,990,534	2,696,920
Noncurrent liabilities:					
Net pension liability	919,426	195,691	-	147,658	1,262,775
Net other post employment benefit liability	188,897	43,314	-	48,126	280,337
Liability for compensated absences	487,853	140,370	-	117,910	746,133
Total noncurrent liabilities	1,596,176	379,375	-	313,694	2,289,245
Total liabilities	2,266,162	400,775	15,000	2,304,228	4,986,165
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	485,387	104,356	-	110,245	699,988
Deferred inflows from other post employment benefits	344,545	79,004	-	87,782	511,331
	829,932	183,360	-	198,027	1,211,319
NET POSITION					
Net investment in capital assets	2,974,432	595,296	86,999	1,539,480	5,196,207
Unrestricted	4,050,028	(422,491)	644,717	811,033	5,083,287
Total net position	$ 7,024,460	$ 172,805	$ 731,716	$ 2,350,513	$ 10,279,494

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
Operating revenues:					
Charges for sales and services:					
Service charges	$ 2,705,905	$ 946,624	$ 94,393	$ 3,669,943	$ 7,416,865
Miscellaneous charges	6,944	-	-	58,946	65,890
Total operating revenues	2,712,849	946,624	94,393	3,728,889	7,482,755
Operating expenses:					
Personnel services	3,085,774	659,159	-	1,341,801	5,086,734
Pension expense (net)	(81,925)	(18,133)	-	(19,947)	(120,005)
Contractual services	5,478,568	218,163	26,836	1,793,756	7,517,323
Supplies	665,129	103,476	-	207,639	976,244
Depreciation	131,943	170,145	-	80,347	382,435
Miscellaneous	105,408	2,003	-	34,380	141,791
Total operating expenses	9,384,897	1,134,813	26,836	3,437,976	13,984,522
Operating income (loss)	(6,672,048)	(188,189)	67,557	290,913	(6,501,767)
Nonoperating revenues (expenses):					
Investment income	49,645	-	6,126	27,417	83,188
Loss on property disposition	(15,075)	-	-	-	(15,075)
Hotel/motel tax	9,209,353	-	-	-	9,209,353
Miscellaneous	7,437	31,040	-	-	38,477
Total nonoperating revenue	9,251,360	31,040	6,126	27,417	9,315,943
Income (loss) before transfers	2,579,312	(157,149)	73,683	318,330	2,814,176
Transfers out	(2,011,539)	(50,409)	-	(207,646)	(2,269,594)
Change in net position	567,773	(207,558)	73,683	110,684	544,582
Total net position-beginning as adjusted (Footnote I.C.)	6,456,687	380,363	658,033	2,239,829	9,734,912
Total net position-ending	$ 7,024,460	$ 172,805	$ 731,716	$ 2,350,513	$ 10,279,494

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 3,252,100	$ 959,331	$ 94,193	$ 4,897,584	$ 9,203,208
Cash payments to suppliers for goods and services	(6,135,209)	(329,162)	(11,836)	(2,032,234)	(8,508,441)
Cash paid to or on behalf of employees for services	(3,082,145)	(626,914)	-	(1,328,496)	(5,037,555)
Net cash provided (used) by operating activities	(5,965,254)	3,255	82,357	1,536,854	(4,342,788)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel/Motel tax	9,209,353	-	-	-	9,209,353
Transfers to other funds	(2,011,539)	(50,409)	-	(207,646)	(2,269,594)
Net cash provided (used) by noncapital financing activities	7,197,814	(50,409)	-	(207,646)	6,939,759
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(118,361)	-	(50,000)	(218,753)	(387,114)
Proceeds from insurance damages	7,437	31,040	-	-	38,477
Net cash provided (used) by capital and related financing activities	(110,924)	31,040	(50,000)	(218,753)	(348,637)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(4,303,969)	(22,441)	(491,456)	(2,391,666)	(7,209,532)
Proceeds from sale and maturities of investment securities	3,818,703	38,953	517,676	1,704,172	6,079,504
Interest on investments	49,388	79	6,442	25,507	81,416
Net cash provided (used) in investing activities	(435,878)	16,591	32,662	(661,987)	(1,048,612)
Net increase in cash and cash equivalents	685,758	477	65,019	448,468	1,199,722
Cash and cash equivalents, beginning of year	626,030	6,339	84,248	277,940	994,557
Cash and cash equivalents, end of year	$ 1,311,788	$ 6,816	$ 149,267	$ 726,408	$ 2,194,279
Noncash disclosures:					
Loss on property disposition	$ (15,075)	$ -	$ -	$ -	$ (15,075)
Decrease in fair value of investments	(34,756)	(73)	(3,505)	(21,685)	(60,019)
Transfer out of capital assets	-	-	-	(40)	(40)

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(continued)

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ (6,672,048)	$ (188,189)	$ 67,557	$ 290,913	$ (6,501,767)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	131,943	170,145	-	80,347	382,435
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	449,968	12,707	(200)	2,290	464,765
Other receivable	12,251	-	-	778	13,029
Prepaid expenses and other assets	5,217	-	-	(5,388)	(171)
Pensions	(81,925)	(18,133)	-	(19,947)	(120,005)
Increase (decrease) in:					
Accounts payable	96,428	(5,520)	15,000	8,151	114,059
Accrued liabilities	(52,298)	1,019	-	15,674	(35,605)
Due to other funds	(11,753)	-	-	-	(11,753)
Liability for compensated absences	55,927	31,226	-	(2,369)	84,784
Customer deposits	-	-	-	(75,023)	(75,023)
Unearned revenue	101,036	-	-	1,241,428	1,342,464
Total adjustments	706,794	191,444	14,800	1,245,941	2,158,979
Net cash provided (used) by operating activities	$ (5,965,254)	$ 3,255	$ 82,357	$ 1,536,854	$ (4,342,788)

Plano
City of Excellence

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department for another.

The City has five Internal Service Funds as follows:

EQUIPMENT MAINTENANCE FUND – to account for the cost of operating and maintaining automotive and other equipment used by City departments. Service charges are billed to departments on a monthly basis to cover all expenses of the fund, including depreciation of furniture and fixtures, machinery and equipment necessary to provide maintenance services and for replacement of the fleet.

MUNICIPAL WAREHOUSE FUND – to account for the operation of a central warehouse facility, which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

TECHNOLOGY SERVICES FUND – to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

RISK MANAGEMENT FUND – to account for the operation of a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and worker's compensation.

HEALTH CLAIMS FUND – to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2018

	Equipment Maintenance	Municipal Warehouse	Technology Services
ASSETS			
Cash and cash equivalents	$ 7,692,962	$ 12,308	$ 3,766,387
Investments	25,328,755	40,523	12,400,672
Receivables:			
Accounts	18,618	37,786	-
Accrued interest	96,589	155	47,289
Inventories	40,210	1,043,993	-
Prepaid items	-	580	227,709
Net pension asset	59,116	12,558	184,127
Capital assets:			
Land	51,515	-	11,007
Buildings	5,264,915	-	710,379
Equipment	20,413,459	-	22,362,513
Furniture and fixtures	250,986	9,413	55,625
Rolling equipment	57,907,241	-	-
Less accumulated depreciation	(51,670,312)	(9,413)	(13,452,239)
Total capital assets (net of accumulated depreciation)	32,217,804	-	9,687,285
Total assets	65,454,054	1,147,903	26,313,469
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	440,614	88,290	1,080,987
Deferred outflows from other post employment benefits	50,433	13,522	91,730
	491,047	101,812	1,172,717
LIABILITIES:			
Current liabilities:			
Accounts payable	781,845	235,225	352,034
Accrued liabilities	68,414	15,905	215,443
Due to other funds	-	108,000	-
Compensated absences	31,230	553	133,912
Liability for insurance claims	-	-	-
Total current liabilities	881,489	359,683	701,389
Noncurrent liabilities:			
Net pension liability	869,915	173,423	2,160,129
Net other post employment benefit liability	166,036	44,518	301,993
Compensated absences	86,284	54,764	330,958
Total liabilities	2,003,724	632,388	3,494,469
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	423,750	96,643	1,283,110
Deferred inflows from other post employment benefits	302,849	81,199	550,833
	726,599	177,842	1,833,943
NET POSITION			
Net investment in capital assets	32,217,804	-	9,687,285
Unrestricted	30,996,974	439,485	12,470,489
Total net position	$ 63,214,778	$ 439,485	$ 22,157,774

Risk Management	Health Claims	Total
$ 1,162,049	$ 5,614,051	$ 18,247,757
3,825,996	18,484,029	60,079,975
-	-	56,404
14,490	70,488	229,011
-	-	1,084,203
3,523	361,537	593,349
15,601	-	271,402
-	-	62,522
-	-	5,975,294
427,686	-	43,203,658
811	-	316,835
-	-	57,907,241
(428,497)	-	(65,560,461)
-	-	41,905,089
5,021,659	24,530,105	122,467,190
97,866	-	1,707,757
8,406	-	164,091
106,272	-	1,871,848
71,469	32,551	1,473,124
17,451	-	317,213
-	-	108,000
242	-	165,937
4,790,999	2,528,555	7,319,554
4,880,161	2,561,106	9,383,828
199,940	-	3,403,407
27,673	-	540,220
23,959	-	495,965
5,131,733	2,561,106	13,823,420
103,913	-	1,907,416
50,475	-	985,356
154,388	-	2,892,772
-	-	41,905,089
(158,190)	21,968,999	65,717,757
$ (158,190)	$ 21,968,999	$ 107,622,846

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Equipment Maintenance	Municipal Warehouse	Technology Services
OPERATING REVENUES:			
Charges for services	$ 23,192,020	$ 4,645,166	$ 18,949,820
Subrogation receipts	-	-	-
Miscellaneous	103,860	3,734	-
Total operating revenues	23,295,880	4,648,900	18,949,820
OPERATING EXPENSES:			
Personnel services	2,472,823	666,443	7,250,124
Pension expense (net)	(70,349)	(17,988)	(158,161)
Contractual services	2,641,956	72,460	8,571,529
Supplies	3,453,059	3,942,623	1,635,807
Claims expense	-	-	-
Depreciation	8,889,435	-	580,197
Miscellaneous	37,219	64,414	42,428
Total operating expenses	17,424,143	4,727,952	17,921,924
Operating income (loss)	5,871,737	(79,052)	1,027,896
NONOPERATING REVENUES:			
Investment income	303,890	-	146,520
Gain on capital asset disposal	976,108	17,073	-
Intergovernmental revenues	-	-	169,028
Miscellaneous	533,589	14,700	2,355
Total nonoperating revenues	1,813,587	31,773	317,903
Income (loss) before contributions and transfers	7,685,324	(47,279)	1,345,799
Transfers in	288,934	-	502,922
Transfers out	-	-	(250,000)
Change in net position	7,974,258	(47,279)	1,598,721
Total net position-beginning as adjusted (Footnote I.C.)	55,240,520	486,764	20,559,053
Total net position-ending	$ 63,214,778	$ 439,485	$ 22,157,774

Risk Management	Health Claims	Total
$ 5,805,015	$ 31,546,334	$ 84,138,355
1,581,032	-	1,581,032
-	-	107,594
7,386,047	31,546,334	85,826,981
546,223	-	10,935,613
(13,877)	-	(260,375)
1,442,951	3,787,385	16,516,281
22,329	-	9,053,818
5,997,560	27,925,993	33,923,553
-	-	9,469,632
24,109	-	168,170
8,019,295	31,713,378	79,806,692
(633,248)	(167,044)	6,020,289
44,552	240,432	735,394
-	-	993,181
-	-	169,028
-	-	550,644
44,552	240,432	2,448,247
(588,696)	73,388	8,468,536
6,893	-	798,749
-	-	(250,000)
(581,803)	73,388	9,017,285
423,613	21,895,611	98,605,561
$ (158,190)	$ 21,968,999	$ 107,622,846

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Equipment Maintenance	Municipal Warehouse	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 23,534,642	$ 4,575,377	$ 18,950,228
Cash received from subrogation	-	-	-
Cash payments to suppliers for goods and services	(6,380,552)	(4,006,658)	(10,705,669)
Cash paid to or on behalf of employees for services	(2,470,272)	(655,779)	(7,139,153)
Net cash provided (used) by operating activities	14,683,818	(87,060)	1,105,406
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	-	-	(250,000)
Transfers from other funds	288,934	-	502,922
Intergovernmental receipts	-	-	169,028
Net cash provided by noncapital financing activities	288,934	-	421,950
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(10,787,698)	-	(84,818)
Proceeds on sale of equipment	984,961	17,073	-
Proceeds from insurance damages	533,589	14,700	2,355
Net cash provided (used) by capital and related financing activities	(9,269,148)	31,773	(82,463)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(25,328,755)	(40,523)	(12,400,672)
Proceeds from sales and maturities of investment securities	23,231,751	92,782	12,530,660
Interest on investments	305,586	237	152,244
Net cash provided (used) by investing activities	(1,791,418)	52,496	282,232
Net increase (decrease) in cash and cash equivalents	3,912,186	(2,791)	1,727,125
Cash and cash equivalents, beginning of year	3,780,776	15,099	2,039,262
Cash and cash equivalents, end of year	$ 7,692,962	$ 12,308	$ 3,766,387
Noncash disclosure:			
Loss on property disposition	$ (8,853)	$ -	$ -
Decrease in fair value of investments	(200,232)	(5)	(91,467)
Transfer in (out) of capital assets	3,513,750	(30,100)	(114)
Donated capital asset	92,663	-	-

Risk Management	Health Claims	Total
$ 5,805,015	$ 31,546,334	$ 84,411,596
1,581,032	-	1,581,032
(7,010,558)	(31,716,354)	(59,819,791)
(540,383)	-	(10,805,587)
(164,894)	(170,020)	15,367,250
-	-	(250,000)
6,893	-	798,749
-	-	169,028
6,893	-	717,777
-	-	(10,872,516)
-	-	1,002,034
-	-	550,644
-	-	(9,319,838)
(3,825,996)	(18,484,029)	(60,079,975)
4,383,980	20,650,151	60,889,324
48,609	257,307	763,983
606,593	2,423,429	1,573,332
448,592	2,253,409	8,338,521
713,457	3,360,642	9,909,236
$ 1,162,049	$ 5,614,051	$ 18,247,757
$ -	$ -	$ (8,853)
(25,281)	(125,144)	(442,129)
-	-	3,483,536
-	-	92,663

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(continued)

	Equipment Maintenance	Municipal Warehouse	Technology Services
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ 5,871,737	$ (79,052)	$ 1,027,896
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	8,889,435	-	580,197
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	-	(16,523)	-
Other receivable	184,909	-	408
Due from other funds	53,853	-	-
Prepaid items	-	(580)	(158,332)
Inventories	(4,152)	(22,404)	-
Pensions	(70,349)	(17,988)	(158,161)
Increase (decrease) in:			
Accounts payable	(244,166)	95,823	(297,573)
Accrued liabilities	8,131	2,060	48,463
Due to other funds	-	(57,000)	-
Compensated absences	(5,580)	8,604	62,508
Liability for insurance claims	-	-	-
Total adjustments	8,812,081	(8,008)	77,510
Net cash provided (used) by operating activities	$ 14,683,818	$ (87,060)	$ 1,105,406

Risk Management	Health Claims	Total
$ (633,248)	$ (167,044)	$ 6,020,289
-	-	9,469,632
-	-	(16,523)
-	-	185,317
-	-	53,853
(80)	17,291	(141,701)
-	-	(26,556)
(13,877)	-	(260,375)
(6,169)	5,685	(446,400)
4,905	-	63,559
-	-	(57,000)
935	-	66,467
482,640	(25,952)	456,688
468,354	(2,976)	9,346,961
$ (164,894)	$ (170,020)	$ 15,367,250

Plano
City of Excellence

FIDUCIARY FUNDS

PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS:

RETIREMENT SECURITY PLAN PENSION TRUST – to account for assets held for full-time employees as a substitute retirement plan to Social Security.

POSTEMPLOYMENT BENEFITS 115 TRUST – to account for assets held for the purpose of funding and providing certain benefits to its eligible retirees in accordance with the requirements of Governmental Accounting Standards Board Statement No. 45.

AGENCY FUNDS:

DEVELOPERS' ESCROW FUND – to account for escrow received from developers. The escrow will be used for construction of improvements to be made by the City.

UNCLAIMED PROPERTY FUND – to account for assets under $100, which have been issued by the City but remain unclaimed. Disposition is made upon claim by rightful owners or escheatment to the State of Texas.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
PENSION AND OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS
AS OF SEPTEMBER 30, 2018

	Pension Trust Fund	Postemployment Benefits Trust Fund	Total
ASSETS			
Cash and cash equivalents	$ 3,555,135	$ 238,561	$ 3,793,696
Investments:			
U.S. government obligations	24,655,868	-	24,655,868
Corporate bonds	16,330,546	-	16,330,546
Common stocks	100,190,751	12,743,774	112,934,525
Mutual funds	13,355,835	77,384,691	90,740,526
Accrued interest	328,542	49,072	377,614
Total assets	158,416,677	90,416,098	248,832,775
LIABILITIES			
Accounts payable	-	569,364	569,364
Total liabilities	-	569,364	569,364
NET POSITION			
Held in trust for pension benefits	158,416,677	-	158,416,677
Held in trust for other postemployment benefits	-	89,846,734	89,846,734
Total net position	$ 158,416,677	$ 89,846,734	$ 248,263,411

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
PENSION AND OTHER POST EMPLOYMENT BENEFITS TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Pension Trust Fund	Postemployment Benefits Trust Fund	Total
ADDITIONS			
Contributions:			
From employers	$ 5,339,710	$ 5,038,421	$ 10,378,131
From retirees	-	2,118,395	2,118,395
Total contributions	5,339,710	7,156,816	12,496,526
Investment return:			
Net increase in fair value of investments	13,239,750	6,161,016	19,400,766
Interest	997,884	185,216	1,183,100
Dividends	1,964,085	1,586,094	3,550,179
Miscellaneous	2,652	-	2,652
Total investment return	16,204,371	7,932,326	24,136,697
Total additions	21,544,081	15,089,142	36,633,223
DEDUCTIONS			
Benefits	5,177,067	3,507,950	8,685,017
Administrative expenses	371,558	2,250,436	2,621,994
Miscellaneous expenses	7,141	12	7,153
Total deductions	5,555,766	5,758,398	11,314,164
Net increase	15,988,315	9,330,744	25,319,059
Net position held in trusts - beginning of year	142,428,362	80,515,990	222,944,352
Net position held in trusts - end of year	$ 158,416,677	$ 89,846,734	$ 248,263,411

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF SEPTEMBER 30, 2018

	Agency Funds		
	Developers' Escrow	Unclaimed Property	Total Agency Funds
ASSETS			
Cash and cash equivalents	$ 665,059	$ 47,284	$ 712,343
Investment pool	2,189,678	155,681	2,345,359
Accrued interest	8,350	593	8,943
Total Assets	$ 2,863,087	$ 203,558	$ 3,066,645
LIABILITIES			
Developers' escrow liability	$ 2,863,087	$ -	$ 2,863,087
Unclaimed property payable	-	203,558	203,558
Total Liabilities	$ 2,863,087	$ 203,558	$ 3,066,645

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018
Developers' Escrow				
ASSETS:				
Cash and cash equivalents	$ 423,622	$ 401,633	$ 160,196	$ 665,059
Investments	2,603,034	-	413,356	2,189,678
Accrued interest receivable	11,013	-	2,663	8,350
Total Assets	$ 3,037,669	$ 401,633	$ 576,215	$ 2,863,087
LIABILITIES:				
Developers' escrow liability	$ 3,037,669	$ 106,067	$ 280,649	$ 2,863,087
	$ 3,037,669	$ 106,067	$ 280,649	$ 2,863,087
Unclaimed Property				
ASSETS:				
Cash and cash equivalents	$ 25,913	$ 28,555	$ 7,184	$ 47,284
Investments	159,228	139	3,686	155,681
Accrued interest receivable	674	-	81	593
Total Assets	$ 185,815	$ 28,694	$ 10,951	$ 203,558
LIABILITIES:				
Unclaimed property payable	$ 185,815	$ 17,743	$ -	$ 203,558
Total Agency Funds				
ASSETS:				
Cash and cash equivalents	$ 449,535	$ 430,188	$ 167,380	$ 712,343
Investments	2,762,262	139	417,042	2,345,359
Accrued interest receivable	11,687	-	2,744	8,943
Total Assets	$ 3,223,484	$ 430,327	$ 587,166	$ 3,066,645
LIABILITIES:				
Developers' escrow liability	$ 3,037,669	$ 106,067	$ 280,649	$ 2,863,087
Unclaimed property payable	185,815	17,743	-	203,558
Total Liabilities	$ 3,223,484	$ 123,810	$ 280,649	$ 3,066,645

Plano
City of Excellence

COMPONENT UNIT

TIF EAST SIDE – organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
AS OF SEPTEMBER 30, 2018

	TIF East Side
ASSETS	
Current:	
Cash and cash equivalents	$ 2,451,232
Investments	8,101,354
Noncurrent:	
Capital assets, net	3,180,296
Total assets	13,732,882
LIABILITIES	
Current:	
Accounts payable	2,700
Total liabilities	2,700
NET POSITION	
Net investment in capital assets	3,180,296
Restricted	10,549,886
Total net position	$ 13,730,182

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	TIF East Side
EXPENSES	
Contractual services	$ 3,443,743
Total operating expenses	3,443,743
Operating loss	(3,443,743)
NONOPERATING REVENUES	
Property taxes	2,036,092
Note repayment	50,000
Total nonoperating revenues	2,086,092
NET LOSS	(1,357,651)
Change in net position	(1,357,651)
Total net position-beginning	15,087,833
Total net position-ending	$ 13,730,182

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	TIF East Side
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash payments to suppliers for goods and services	$ (3,451,523)
Net cash used by operating activities	(3,451,523)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	2,036,092
Note repayment	50,000
Net cash provided by noncapital financing activities	2,086,092
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(1,601,128)
Net cash used by operating and related financing activities	(1,601,128)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities	(8,101,354)
Proceeds from sales and maturities of investment securities	11,633,814
Net cash provided by investing activities	3,532,460
Net increase in cash and cash equivalents	565,901
Cash and cash equivalents - beginning of year	1,885,331
Cash and cash equivalents - end of year	$ 2,451,232

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(continued)

	TIF East Side
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	$ (3,443,743)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Increase in:	
Accounts payable	(7,780)
Total adjustments	(7,780)
Net cash used by operating activities	$ (3,451,523)

Plano
City of Excellence

STATISTICAL SECTION

FOR FISCAL YEAR ENDED

SEPTEMBER 30, 2018

CITY OF PLANO, TEXAS

Plano
City of Excellence

STATISTICAL SECTION
(unaudited)

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	Pages
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	136-141
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	142-145
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	146-151
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	152-153
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	154-158

CITY OF PLANO, TEXAS
NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 1

	Fiscal Year									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Governmental activities:										
Net investment in capital assets	$ 831,253,007	$ 790,687,802	$ 749,829,714	$ 716,648,113	$ 695,615,093	$ 672,747,769	$ 663,420,473	$ 665,695,098	$ 663,597,387	$ 728,662,561
Restricted	53,020,956	59,809,891	68,249,570	47,465,237	32,097,048	51,536,304	50,707,627	46,410,136	1,182,560	3,270,626
Unrestricted	123,431,005	163,907,113	167,247,133	179,758,472	215,051,526	194,617,363	185,546,080	162,537,262	165,352,118	72,524,094
Total governmental activities net position	$ 1,007,704,968	$ 1,014,404,806	$ 985,326,417	$ 943,871,822	$ 942,763,667	$ 918,901,436	$ 899,674,180	$ 874,642,496	$ 830,132,065	$ 804,457,281
Business-type activities:										
Net investment in capital assets	$ 378,270,126	$ 377,622,087	$ 374,462,834	$ 370,220,021	$ 360,960,813	$ 362,997,446	$ 363,340,513	$ 362,757,006	$ 367,024,467	$ 383,531,217
Restricted	4,591,766	6,106,990	3,298,965	2,377,534	2,242,278	2,375,886	2,671,383	2,514,172	2,639,954	3,911,737
Unrestricted	91,641,587	81,186,158	88,495,857	88,328,906	89,364,337	88,538,490	78,609,397	81,237,936	57,584,753	25,620,288
Total business-type activities net position	$ 474,503,479	$ 464,915,235	$ 466,257,656	$ 460,926,461	$ 452,567,428	$ 453,911,822	$ 444,621,293	$ 446,509,114	$ 427,249,174	$ 413,063,242
Primary government:										
Net investment in capital assets	$ 1,209,523,133	$ 1,168,309,889	$ 1,124,292,548	$ 1,086,868,134	$ 1,056,575,906	$ 1,035,745,215	$ 1,026,760,986	$ 1,028,452,104	$ 1,030,621,854	$ 1,112,193,778
Restricted	57,612,722	65,916,881	71,548,535	49,842,771	34,339,326	53,912,190	53,379,010	48,924,308	3,822,514	7,182,363
Unrestricted	215,072,592	245,093,271	255,742,990	268,087,378	304,415,863	283,155,853	264,155,477	243,775,198	222,936,871	98,144,382
Total primary government net position	$ 1,482,208,447	$ 1,479,320,041	$ 1,451,584,073	$ 1,404,798,283	$ 1,395,331,095	$ 1,372,813,258	$ 1,344,295,473	$ 1,321,151,610	$ 1,257,381,239	$ 1,217,520,523

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 2

	Fiscal Year									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Expenses										
Governmental activities:										
General government	$ 26,304,530	$ 27,352,742	$ 27,017,457	$ 27,636,869	$ 22,837,719	$ 22,902,283	$ 23,945,434	$ 17,854,055	$ 18,468,819	$ 14,360,212
Administrative services	11,464,812	11,729,785	10,635,244	9,555,715	9,004,302	8,715,712	7,925,435	7,595,755	7,799,815	8,294,111
Police	90,322,013	88,408,381	80,837,474	74,607,299	73,546,241	70,839,690	68,056,743	66,433,966	66,061,326	65,225,173
Fire	61,042,750	63,104,587	56,724,482	51,268,423	50,822,815	48,085,904	45,660,603	44,652,064	43,654,787	44,279,959
Libraries	11,436,405	12,381,069	12,107,913	10,646,832	11,152,367	10,268,273	9,765,576	10,136,834	10,295,418	11,104,945
Development	47,861,153	38,018,301	36,859,600	33,116,211	35,304,179	28,041,761	24,286,697	24,693,554	18,945,171	19,929,365
Public services and operations	7,972,290	8,350,096	7,638,382	6,575,756	7,350,378	6,372,030	5,469,346	5,602,338	5,662,869	5,645,771
Parks and recreation	33,854,714	36,069,542	32,462,901	30,933,825	32,444,929	28,605,874	26,999,247	25,773,639	27,219,522	26,170,315
Public works	35,968,999	33,751,984	32,287,926	30,531,725	29,653,914	31,256,009	32,261,282	30,868,916	34,002,485	28,025,006
Technology services	19,215,958	18,193,246	18,524,241	18,193,965	17,035,972	15,485,073	14,144,322	14,738,189	13,806,148	14,008,840
Other	-	-	-	-	-	-	-	-	1,963,496	5,480,962
Interest on long-term debt	12,725,258	10,897,222	10,309,486	8,887,609	11,454,975	16,606,292	13,546,098	13,821,383	14,089,411	14,640,081
Unallocated depreciation	-	-	-	-	-	-	-	-	111,959	96,934
Total governmental activities expenses	358,168,882	348,256,955	325,405,106	301,954,229	300,607,791	287,178,901	272,060,783	262,170,693	262,081,226	257,261,674
Business-type activities:										
Water and sewer	153,117,762	144,379,544	133,481,605	117,747,963	113,527,471	108,229,423	108,565,144	101,645,618	97,546,366	96,352,987
Sustainability and environmental waste services	26,932,415	26,767,335	25,354,273	22,043,523	22,664,437	22,343,541	23,342,162	23,431,488	21,163,351	21,354,795
Municipal drainage	5,308,525	4,977,428	4,933,219	4,613,572	4,576,230	4,475,248	4,223,993	3,952,974	4,051,080	3,843,011
Convention and tourism	8,937,082	8,661,450	7,402,651	9,093,255	6,547,215	6,287,787	6,098,248	5,889,739	6,393,145	7,331,173
Municipal golf course	1,173,724	1,220,462	1,198,346	1,789,341	1,017,816	1,021,602	965,133	231,640	718,046	870,436
Property management	-	-	-	-	-	-	-	-	59,678	32,053
Recreation revolving	3,432,942	3,574,034	3,295,974	3,349,987	3,215,117	3,326,229	3,226,272	3,176,716	3,216,311	3,191,594
Downtown center development	26,836	17,406	14,273	11,726	28,931	9,893	9,327	55,683	47,918	47,917
Total business-type activities expenses	198,929,286	189,597,659	175,680,341	158,649,367	151,577,217	145,693,723	146,430,279	138,383,858	133,195,895	133,023,966
Total primary government expenses	557,098,168	537,854,614	501,085,447	460,603,596	452,185,008	432,872,624	418,491,062	400,554,551	395,277,121	390,285,640
Program Revenues										
Governmental activities:										
Charges for services:										
General government	6,906,381	10,088,711	6,691,140	6,551,280	6,152,383	5,913,645	5,561,420	4,739,503	1,394,826	994,964
Administrative services	49,074	5,855	3,928	21,428	5,296	11,515	8,200	-	-	-
Police	17,637,778	18,608,424	17,981,734	17,361,393	16,615,952	16,518,724	16,242,970	15,458,080	15,429,740	15,344,518
Fire	6,138,787	5,941,980	5,798,677	5,496,159	4,898,085	4,549,906	4,461,129	3,630,026	3,882,667	4,161,383
Libraries	323,969	251,187	245,954	339,198	432,864	467,501	449,743	473,956	500,514	545,755
Development	7,588,183	9,335,464	12,573,047	10,206,808	6,492,386	6,129,225	5,274,987	4,833,730	3,990,274	3,175,176
Public services and operations	1,578,599	1,550,664	1,534,663	1,494,484	1,448,584	1,473,792	1,431,446	1,319,479	1,333,016	1,277,357
Parks and recreation	6,200,769	4,858,934	5,049,382	4,668,090	4,423,381	4,534,559	4,528,827	4,179,352	4,058,923	3,952,244
Public works	89,655	34,783	18,829	39,452	48,710	112,267	175,256	194,348	247,408	40,592
Technology services	3,789,685	3,673,689	3,862,930	3,297,065	3,044,377	2,930,541	2,796,312	2,626,768	2,870,243	2,882,354
Operating grants and contributions	15,900,571	12,735,876	13,846,703	18,586,476	15,264,041	14,058,293	10,244,037	5,624,013	6,858,965	7,430,737
Capital grants and contributions	13,149,824	12,042,196	16,642,121	19,043,456	11,542,543	8,576,392	5,158,140	13,736,398	20,765,810	10,939,098
Total governmental activities program revenues	79,353,275	79,127,763	84,249,108	87,105,289	70,368,602	65,276,360	56,332,467	56,815,653	61,332,386	50,744,178

(continued)

CITY OF PLANO, TEXAS
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 2
(continued)

	Fiscal Year									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Business-type activities:										
Charges for services:										
Water and sewer	$ 169,851,498	$ 143,957,017	$ 140,654,894	$ 132,067,317	$ 114,554,767	$ 121,115,371	$ 114,415,670	$ 128,109,639	$ 116,516,442	$ 108,076,125
Sustainability and environmental waste services	17,707,463	17,819,166	16,288,331	16,168,862	16,147,526	16,403,721	16,096,610	16,368,530	15,616,880	15,101,758
Municipal drainage	7,618,351	7,541,895	7,318,823	7,163,876	7,400,810	6,292,462	5,208,675	5,228,986	5,161,087	5,050,406
Convention and tourism	2,720,286	1,861,402	2,420,541	2,214,354	1,727,103	1,759,911	1,812,576	1,822,231	2,180,520	2,439,129
Municipal golf course	977,664	1,020,019	887,717	954,645	965,465	994,125	933,533	65,906	600,919	792,753
Property management	-	-	-	-	-	-	-	9,967	7,594	42,309
Recreation revolving	3,728,889	3,889,169	3,733,821	3,635,336	3,773,493	3,820,358	3,870,482	3,347,434	3,545,142	3,325,754
Downtown center development	94,393	68,678	73,206	147,789	93,896	67,928	67,828	68,128	68,128	68,127
Operating grants and contributions	-	-	1,041	60,980	-	358,588	1,070,468	1,568,388	60,194	339,804
Capital grants and contributions	4,443,912	7,778,571	4,451,393	5,548,273	3,463,123	4,254,902	2,078,980	1,377,582	3,721,845	5,128,295
Total business-type activities program revenues	207,142,456	183,935,917	175,829,767	167,961,432	148,126,183	155,067,366	145,554,822	157,966,791	147,478,751	140,364,460
Total primary government program revenues	286,495,731	263,063,680	260,078,875	255,066,721	218,494,785	220,343,726	201,887,289	214,782,444	208,811,137	191,108,638
Net (expense) revenue										
Governmental activities	(278,815,607)	(269,129,192)	(241,155,998)	(214,848,940)	(230,239,189)	(221,902,541)	(215,728,316)	(205,355,040)	(200,748,840)	(206,517,496)
Business-type activities	8,213,170	(5,661,742)	149,426	9,312,065	(3,451,034)	9,373,643	(875,457)	19,582,933	14,282,856	7,340,494
Total primary government net (expense)	(270,602,437)	(274,790,934)	(241,006,572)	(205,536,875)	(233,690,223)	(212,528,898)	(216,603,773)	(185,772,107)	(186,465,984)	(199,177,002)
General revenues and transfers										
Governmental activities:										
Property taxes	191,237,106	173,005,300	163,619,692	150,960,855	140,180,751	133,922,409	130,761,336	128,274,660	129,741,125	127,265,332
Sales taxes	85,790,057	81,795,481	76,948,348	76,326,156	74,468,963	68,831,243	70,355,058	62,441,697	58,652,787	56,064,538
Mixed drink taxes	2,322,487	2,048,388	1,930,054	1,761,817	1,659,703	1,277,913	1,061,390	1,140,818	1,103,815	997,051
Other taxes	644,540	213,020	145,579	131,642	164,195	398,357	167,773	206,389	77,968	118,580
Franchise fees	25,088,152	24,553,341	24,665,352	25,341,454	24,332,547	23,283,089	22,668,521	23,220,388	22,361,082	23,995,388
Investment income	4,548,178	3,018,751	3,180,298	3,096,190	1,396,949	973,519	2,926,435	4,756,044	3,473,366	4,632,949
Transfers	12,559,897	13,573,300	12,121,270	10,491,502	11,898,312	12,443,267	12,819,487	29,825,475	11,013,481	13,307,004
Total governmental activities	322,190,417	298,207,581	282,610,593	268,109,616	254,101,420	241,129,797	240,760,000	249,865,471	226,423,624	226,380,842
Business-type activities:										
Hotel/Motel tax	9,209,353	8,685,384	8,263,231	7,342,639	5,984,727	5,095,504	4,669,257	4,722,431	4,098,810	3,951,890
Franchise fees	8,631,271	8,753,718	8,499,964	7,957,587	7,570,258	7,068,059	6,498,108	6,761,347	6,286,201	6,198,973
Investment income	797,183	453,519	539,844	544,194	449,967	196,590	639,758	795,789	531,546	604,201
Transfers	(12,559,897)	(13,573,300)	(12,121,270)	(10,491,502)	(11,898,312)	(12,443,267)	(12,819,487)	(12,602,560)	(11,013,481)	(13,307,004)
Total business-type activities	6,077,910	4,319,321	5,181,769	5,352,918	2,106,640	(83,114)	(1,012,364)	(322,993)	(96,924)	(2,551,940)
Total primary government	328,268,327	302,526,902	287,792,362	273,462,534	256,208,060	241,046,683	239,747,636	249,542,478	226,326,700	223,828,902
Change in net position										
Governmental activities	43,374,810	29,078,389	41,454,595	53,260,676	23,862,231	19,227,256	25,031,684	44,510,431	25,674,784	19,863,346
Business-type activities	14,291,080	(1,342,421)	5,331,195	14,664,983	(1,344,394)	9,290,529	(1,887,821)	19,259,940	14,185,932	4,788,554
Total primary government	$ 57,665,890	$ 27,735,968	$ 46,785,790	$ 67,925,659	$ 22,517,837	$ 28,517,785	$ 23,143,863	$ 63,770,371	$ 39,860,716	$ 24,651,900

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS **Table 3**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	Fiscal year									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
General Fund										
Nonspendable	$ 452,138	$ 426,935	$ 455,431	$ 506,576	$ 793,454	$ 152,616	$ 189,920	$ 176,588	$ 2,321,839	$ 6,976,517
Assigned	5,398,044	8,648,847	7,482,574	5,308,518	4,617,229	3,467,826	2,579,810	3,110,127	4,604,162	4,055,302
Unassigned	46,363,342	42,559,341	46,251,968	45,788,922	45,914,135	52,689,982	50,197,033	41,547,010	34,474,576	31,712,311
Total general fund	$ 52,213,524	$ 51,635,123	$ 54,189,973	$ 51,604,016	$ 51,324,818	$ 56,310,424	$ 52,966,763	$ 44,833,725	$ 41,400,577	$ 42,744,130
All Other Governmental Funds										
Nonspendable	$ 2,914,126	$ 203,063	$ 350,071	$ 200,110	$ 64,510	$ 22,830	$ 905	$ 4,405	$ -	$ 2,680
Restricted	139,233,489	118,218,632	110,520,152	83,521,364	87,225,859	94,919,165	93,888,376	80,004,218	61,975,246	85,435,605
Committed	48,179,905	52,076,874	45,745,697	41,176,158	34,066,858	26,320,350	20,280,369	16,052,538	-	-
Assigned	85,460,149	82,418,884	79,391,186	96,276,903	86,964,225	69,940,931	63,918,355	59,782,814	71,516,720	61,199,709
Unassigned	(356,136)	-	-	(441,228)	-	-	-	-	(374,071)	-
Total all other governmental funds	$ 275,431,533	$ 252,917,453	$ 236,007,106	$ 220,733,307	$ 208,321,452	$ 191,203,276	$ 178,088,005	$ 155,843,975	$ 133,117,895	$ 146,637,994

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS **Table 4**
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	Fiscal year									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Revenues:										
Taxes:										
Property taxes	$ 178,046,219	$ 161,637,414	$ 152,476,517	$ 139,784,392	$ 130,387,583	$ 124,453,986	$ 121,496,666	$ 117,691,853	$ 121,312,517	$ 119,568,563
Other taxes	88,014,346	83,724,225	78,390,614	78,708,945	75,793,144	70,185,140	71,089,176	63,851,345	59,176,584	57,577,341
Franchise fees	24,354,134	23,778,918	23,795,403	24,452,648	23,469,220	22,455,605	21,895,025	22,770,634	21,886,667	23,586,443
Fines and forfeitures	13,469,216	13,865,452	13,228,933	17,004,610	12,381,098	11,584,047	12,111,722	10,949,125	10,912,913	10,982,616
Contributions	11,864,743	8,275,401	16,065,928	14,451,847	14,386,075	7,912,545	7,195,450	7,161,721	10,691,912	5,206,878
Rollback taxes	775,587	1,083,768	2,080,324	1,705,253	593,756	704,467	896,012	172,594	63,296	263,577
Licenses and permits	9,521,069	11,096,275	13,864,396	11,521,327	8,464,559	8,514,993	6,976,693	6,619,204	5,763,535	4,786,291
Intragovernmental	12,366,054	10,272,023	9,845,021	9,073,068	8,839,577	9,246,857	8,354,150	8,879,036	8,211,958	7,739,588
Intergovernmental	7,226,129	3,294,983	8,600,986	8,762,083	6,861,157	8,378,604	5,695,397	12,269,550	7,236,142	7,118,445
Fees for services	17,232,194	17,591,060	17,476,570	17,235,709	16,093,966	15,626,146	15,654,770	13,535,139	13,769,089	13,808,677
Assessments	-	-	-	4,555	-	13,512	56,776	157,805	88,375	10,094
Assessed taxes	79,560	97,091	96,327	-	-	-	-	-	-	-
Loan repayments	26,190	44,326	52,553	-	-	-	-	-	-	-
Investment income	3,812,784	2,610,264	2,708,822	2,566,239	539,548	803,395	2,323,962	3,932,542	2,884,604	3,988,091
Insurance receipts	-	2,524,669	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	2,456,619
Miscellaneous	2,757,734	2,941,582	2,088,223	2,688,796	2,409,120	2,715,685	1,574,428	1,292,782	1,398,742	-
Total revenues	369,545,959	342,837,451	340,770,617	327,959,472	300,218,803	282,594,982	275,320,227	269,283,330	263,396,334	257,093,223
Expenditures:										
Current:										
General government	29,285,243	27,946,543	28,719,550	28,745,531	23,153,000	22,100,556	23,684,196	21,355,266	392,129	613,652
Administrative services	11,242,058	11,009,172	10,137,693	9,671,352	9,075,852	8,429,725	7,998,091	7,978,998	7,901,744	8,239,334
Police	91,071,389	85,173,812	77,750,758	76,345,150	72,624,201	69,419,105	66,547,202	65,618,061	65,289,730	63,987,283
Fire	61,459,845	59,067,134	53,993,731	51,601,545	48,671,045	45,723,609	44,454,375	43,239,799	42,984,135	43,080,441
Libraries	11,346,986	10,933,170	10,910,966	9,894,090	9,807,337	9,163,013	9,146,500	9,392,127	9,926,819	10,314,568
Development	48,359,267	35,587,723	35,279,126	33,168,506	35,721,485	27,163,001	24,417,148	24,830,560	19,694,309	19,924,444
Public services and operations	7,937,937	7,659,746	7,323,817	6,603,174	7,293,539	6,204,948	5,515,414	5,653,648	5,634,193	5,757,144
Parks and recreation	25,293,952	24,471,388	23,043,731	21,730,109	20,362,792	19,376,076	18,729,207	18,792,674	19,909,716	21,407,832
Sustainability and environmental waste services	-	-	877	51,856	-	664,613	875,569	1,284,956	88,202	300,339
Public works	7,427,734	6,488,697	6,328,770	5,945,885	5,817,124	5,931,011	5,327,481	5,538,454	5,592,600	5,840,246
Technology services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-
Other	-	-	-	-	-	-	-	-	27,809,863	27,609,726
Capital outlay	102,403,953	90,609,900	79,143,347	79,259,135	44,164,938	45,403,651	33,542,010	47,374,962	64,827,368	60,362,017
Interest and fiscal charges	579,586	204,212	267,002	273,480	100,335	175,051	105,385	-	-	-
Debt service:										
Principal retirement	28,765,000	27,145,000	28,540,000	29,430,000	28,135,000	30,335,000	28,990,000	28,405,000	27,650,000	25,645,000
Interest and fiscal charges	14,650,303	14,652,723	12,982,753	12,398,406	13,015,703	13,902,230	14,219,545	14,128,251	14,553,158	15,037,063
Total expenditures	440,823,253	401,949,220	375,422,121	366,118,219	318,942,351	304,991,589	284,552,123	294,592,756	312,253,966	308,119,089
Deficiency of revenues over expenditures	(71,277,294)	(59,111,769)	(34,651,504)	(38,158,747)	(18,723,548)	(22,396,607)	(9,231,896)	(25,309,426)	(48,857,632)	(51,025,866)

(continued)

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 4
(continued)

	Fiscal year									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Other financing sources:										
Proceeds from sale of bonds	$ 77,915,000	$ 54,740,000	$ 33,610,000	$ 30,130,000	$ 20,680,000	$ 22,175,000	$ 25,860,000	$ 21,400,000	$ 22,615,000	$ 29,315,000
Bond proceeds-refunding	-	27,805,000	33,585,000	51,300,000	8,645,000	39,750,000	20,540,000	-	16,633,613	12,370,000
Premium on sale of bonds	4,443,627	10,517,669	12,243,821	10,503,390	952,750	11,439,780	3,820,972	114,918	444,228	250,350
Discount on sale of bonds	-	-	-	-	-	-	(253,786)	-	-	-
Escrow payment-refunding	-	(32,589,261)	(39,339,873)	(57,298,532)	(11,373,354)	(48,059,266)	(22,783,832)	-	(16,777,204)	(12,428,331)
Capital receipt of land	-	-	650,000	-	-	-	-	-	-	-
Capital disposal of land	-	-	(650,000)	-	-	-	-	-	-	-
Sale of land	-	-	830,000	456,000	-	144,020	-	-	426,129	-
Disbursements from component unit	-	-	-	-	-	-	-	1,793,418	-	-
Transfer of assets from Plano Economic Development Board	-	-	-	-	-	-	-	16,052,538	-	-
Operating transfers in	40,819,060	38,680,903	36,271,298	38,735,713	33,629,949	26,993,051	23,893,031	24,366,126	21,898,253	25,390,773
Operating transfers out	(28,807,912)	(25,687,045)	(24,688,986)	(22,976,771)	(21,678,227)	(13,587,046)	(11,467,421)	(11,762,012)	(11,246,039)	(10,633,769)
Total other financing sources	94,369,775	73,467,266	52,511,260	50,849,800	30,856,118	38,855,539	39,608,964	51,964,988	33,993,980	44,264,023
Net change in fund balances	$ 23,092,481	$ 14,355,497	$ 17,859,756	$ 12,691,053	$ 12,132,570	$ 16,458,932	$ 30,377,068	$ 26,655,562	$ (14,863,652)	$ (6,761,843)
Debt service as a percentage of noncapital expenditures	12.9%	13.4%	14.0%	14.6%	15.0%	17.1%	17.2%	17.2%	17.1%	16.4%

CITY OF PLANO, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(unaudited)

Table 5

Fiscal Year	Estimated Market Value: Real Property Residential	Real Property Non-Residential	Non-Real Property Personal	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2009	$ 20,436,560,005	$ 8,494,498,706	$ 2,836,955,143	$ 5,982,698,546	$ 25,785,315,308	$0.4735
2010	20,331,824,829	8,516,248,849	2,669,986,601	6,010,842,123	25,507,218,156	0.4886
2011	20,081,379,973	7,798,953,065	2,648,600,517	5,848,034,850	24,680,898,705	0.4886
2012	20,038,395,317	8,054,393,555	2,740,588,934	5,819,334,127	25,014,043,679	0.4886
2013	20,614,106,560	8,261,636,814	2,793,315,064	6,021,553,525	25,647,504,913	0.4886
2014	21,311,000,073	8,823,285,904	2,991,385,705	6,200,498,251	26,925,173,431	0.4886
2015	23,162,425,188	9,484,172,986	3,226,199,045	7,039,911,544	28,832,885,675	0.4886
2016	25,513,643,395	10,228,975,248	3,332,540,330	7,795,148,020	31,280,010,953	0.4886
2017	28,337,673,807	11,154,737,907	3,336,271,261	8,476,155,936	34,352,527,039	0.4786
2018	30,462,326,984	14,153,497,676	3,572,079,971	9,121,844,876	39,066,059,755	0.4686

Source: City of Plano Budget Department and Collin and Denton Central Appraisal Districts based on original tax roll.
Note: Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

CITY OF PLANO, TEXAS
PROPERTY TAX RATES (per $100 of assessed valuation) -
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(unaudited)

Table 6

	City Direct Rates			Overlapping Rates						
Fiscal Year (1)	General Fund	Debt Service Fund	Total	Plano School District	Allen School District	Collin County	Frisco School District	Lewisville School District	Denton County	Collin College
2009	$0.3268	$0.1467	$0.4735	$1.3030	$1.47	$0.243	$1.37	$1.3800	$0.2360	$0.0860
2010	0.3284	0.1602	0.4886	1.3284	1.54	0.243	1.39	1.4087	0.2500	0.0860
2011	0.3135	0.1751	0.4886	1.3534	1.54	0.240	1.39	1.4267	0.2739	0.0863
2012	0.3149	0.1737	0.4886	1.3734	1.67	0.240	1.42	1.4260	0.2774	0.0863
2013	0.3192	0.1694	0.4886	1.3734	1.67	0.240	1.46	1.4530	0.2829	0.0836
2014	0.3296	0.1590	0.4886	1.4530	1.67	0.235	1.46	1.4770	0.2849	0.0836
2015	0.3438	0.1448	0.4886	1.4390	1.64	0.225	1.46	1.4770	0.2849	0.0820
2016	0.3576	0.1310	0.4886	1.4390	1.61	0.225	1.46	1.4767	0.2620	0.0820
2017	0.3556	0.1230	0.4786	1.4390	1.59	0.192	1.46	1.4200	0.2484	0.0812
2018	0.3500	0.1186	0.4686	1.4390	1.57	0.192	1.46	1.4075	0.2378	0.0798

(1) For School Districts, fiscal years ended on August 31 and include the County Education District tax rate.

Sources: Representatives of the various taxing jurisdictions.

CITY OF PLANO, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)

Table 7

Name of Taxpayer	2018 Taxable Assessed Valuation	2018 Rank	2018 Percentage of Total Taxable Assessed Valuation	2009 Taxable Assessed Valuation	2009 Rank	2009 Percentage of Total Taxable Assessed Valuation
Legacy West Investors LP	$ 340,861,050	1	0.89%	$ -		
Toyota Motor North America Inc	322,918,519	2	0.84%			
JP Morgan Chase Bank NA	312,538,085	3	0.82%			
Silos Harvesting Partners LP	310,000,000	4	0.81%			
Oncor Electric Delivery Company	206,453,100	5	0.54%	167,917,665	1	0.65%
394 Pacific DCD LLC	187,235,847	6	0.49%			
Liberty Mutual Plano LLC	183,298,915	7	0.48%			
KBSIII Legacy Town Center LLC	163,915,077	8	0.43%			
UDR Legacy Village LLC	155,600,000	9	0.41%			
Texas Heart Hospital of the Southwest LLP	147,000,000	10	0.38%			
J C Penney Co Inc #9900-2				166,407,858	2	0.65%
Electronic Data Systems Corporation				134,919,916	3	0.53%
Willow Bend Shopping Center LP				116,500,000	4	0.45%
Shops at Legacy (Inland) LP				97,333,691	5	0.38%
Legacy Campus LP				95,000,000	6	0.37%
United Dominion Realty LP				94,264,315	7	0.37%
Tollway/121 Partners LTD				86,628,875	8	0.34%
Collin Creek Mall LP				84,261,381	9	0.33%
HSP Of Texas Inc				80,344,329	10	0.31%
	$ 2,329,820,593		6.09%	$ 1,123,578,030		4.38%

Source: Collin County Appraisal District

CITY OF PLANO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)

Table 8

Fiscal Year	Total Tax Levy	Collection Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Current Levy
2009	$ 121,434,014	$ 118,459,942	$ 2,205,306	$ 120,665,248	99.37	$ 1,108,621	$ 121,773,869	100.28
2010	123,231,506	120,537,005	1,976,550	122,513,555	99.42	775,512	123,289,067	100.05
2011 *	119,311,553	117,076,366	1,740,962	118,817,328	99.59	615,487	119,432,815	100.10
2012	121,179,947	120,112,398	682,096	120,794,494	99.68	1,384,268	122,178,762	100.82
2013	124,539,135	123,491,655	765,800	124,257,455	99.77	962,331	125,219,786	100.55
2014	130,892,241	129,629,986	765,689	130,395,675	99.62	757,597	131,153,272	100.20
2015	139,575,321	137,952,646	866,051	138,818,697	99.46	1,831,746	140,650,443	100.77
2016	151,033,590	149,652,774	1,032,587	150,685,361	99.77	2,823,743	153,509,104	101.64
2017	161,973,421	160,230,498	1,467,896	161,698,394	99.83	1,406,953	163,105,347	100.70
2018	179,305,578	177,219,168	1,663,605	178,882,773	99.76	827,051	179,709,824	100.23

* 2011 Total Levy has been reduced by $29,552 refund for tax abatement.

CITY OF PLANO, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

Table 9

Fiscal Year	Governmental Activities: General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Business-Type Activities: Water and Sewer Revenue Bonds	Business-Type Activities: Municipal Drainage Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2009	$ 349,122,792	$ 3,895,000	$ 23,834,830	$ 376,852,622	3.49	$ 1,426
2010	342,254,729	1,955,000	26,060,884	370,270,613	3.77	1,397
2011	334,358,571	695,000	24,200,916	359,254,487	3.53	1,370
2012	332,298,643	365,000	22,210,947	354,874,590	3.49	1,345
2013	330,423,813	-	20,150,978	350,574,791	3.19	1,318
2014	319,362,266	-	18,016,010	337,378,276	3.06	1,249
2015	322,852,271	-	16,367,610	339,219,881	2.92	1,240
2016	332,366,608	28,210,692	14,279,894	374,857,194	3.19	1,355
2017	363,534,046	27,276,451	18,940,154	409,750,651	3.39	1,468
2018	411,906,068	39,012,987	17,052,171	467,971,226	3.57	1,655

Note: See Table 15 for personal income and population data.

CITY OF PLANO, TEXAS **Table 10**
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2009	$ 349,122,792	$ 5,491,973	$ 343,630,819	1.33	$ 1,300
2010	342,254,729	1,175,155	341,079,574	1.34	1,287
2011	334,358,571	2,035,641	332,322,930	1.35	1,267
2012	332,298,643	2,224,744	330,073,899	1.32	1,251
2013	330,423,813	1,573,430	328,850,383	1.28	1,237
2014	319,362,268	3,340,771	316,021,497	1.17	1,170
2015	322,852,271	3,701,797	319,150,474	1.11	1,166
2016	332,366,608	3,925,760	328,440,847	1.05	1,187
2017	363,534,046	4,440,930	359,093,116	1.05	1,287
2018	411,906,068	6,571,577	405,334,491	1.04	1,434

Note: See Table 5 for property value data.
Note: See Table 15 for population data.

CITY OF PLANO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2018
(unaudited)

Table 11

Taxing Body	Debt Outstanding	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	$ 411,906,068	100.00%	$ 411,906,068
Total direct debt	**411,906,068**		**411,906,068**
Plano Independent School District	1,046,051,000	69.81%	730,248,203
Collin County	319,815,000	33.38%	106,754,247
Denton County	612,630,000	1.58%	9,679,554
Frisco Independent School District	2,137,073,341	12.99%	277,605,827
Allen Independent School District	629,244,570	0.65%	4,090,090
Lewisville Independent School District	1,661,325,223	4.08%	67,782,069
Collin College	262,281,469	33.38%	87,549,554
Total overlapping debt	**6,668,420,603**		**1,283,709,544**
Total direct and overlapping bonded debt	**$ 7,080,326,671**		**$ 1,695,615,612**
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			4.39%
Per capita overlapping bonded debt			$ 5,998

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

CITY OF PLANO, TEXAS **Table 12**
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2018
(unaudited)

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue. The City's Charter (Section 9.18) states:

> The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

> ...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2017 is $0.4686 per $100.00 with assessed valuation at 100% of market value.

CITY OF PLANO, TEXAS **Table 13**
SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Annual Debt Service Requirements			
				Principal	Interest	Total	Coverage
2009	$ 107,388,857	$ 77,222,182	$ 30,166,675	$ 994,468	$ 73,915	$ 1,068,383	28.24
2010	116,274,847	77,198,970	39,075,877	670,286	40,269	710,555	54.99
2011	127,990,851	80,214,600	47,776,251	362,609	22,122	384,731	124.18
2012	114,265,966	87,746,758	26,519,208	398,182	15,927	414,109	64.04
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	140,225,993	109,031,127	31,194,866	930,000	985,050	1,915,050	1629%
2017	143,783,223	118,878,037	24,905,186	855,000	980,400	1,835,400	1357%
2018	169,527,381	126,024,504	43,502,877	1,825,000	1,446,070	3,271,070	1330%

Note: Direct operating expense excludes depreciation, charges in lieu of taxes, and net pension expense.
For the 2016 bond issue, a reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

CITY OF PLANO, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE - MUNICIPAL DRAINAGE BONDS
LAST TEN FISCAL YEARS
(unaudited)

Table 14

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Net Revenue Available for Debt Service	Gross Revenues Times Expense	Average Annual Debt Service Requirement			
					Principal	Interest	Total	Coverage
2009	$ 5,250,108	$ 2,444,101	$ 2,806,007	2.15	$ 1,250,250	$ 436,656	$ 1,686,906	1.66
2010	5,331,169	2,475,433	2,855,736	N/A	1,282,500	421,898	1,704,398	1.68
2011	5,432,677	2,411,295	3,021,382	N/A	1,253,421	387,407	1,640,828	1.84
2012	5,334,131	2,615,205	2,718,926	N/A	1,213,889	356,451	1,570,340	1.73
2013	6,327,655	2,524,631	3,803,024	N/A	1,165,588	325,751	1,491,339	2.55
2014	7,475,077	2,852,291	4,622,786	N/A	1,106,563	295,615	1,402,178	3.30
2015	7,256,952	3,350,309	3,906,643	N/A	1,053,667	230,741	1,284,408	3.04
2016	7,392,218	3,445,947	3,946,271	N/A	982,857	211,124	1,193,981	3.31
2017	7,507,296	3,297,572	4,209,724	N/A	945,000	260,839	1,205,839	3.49
2018	7,724,220	3,691,664	4,032,556	N/A	895,278	240,647	1,135,925	3.55

Note: Operating expense excludes depreciation and net pension expense.

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least 1.25 times the average annual debt service for all outstanding bonds.
Beginning in Fiscal Year 2010, the City no longer has the requirement related to gross revenues times expense.

CITY OF PLANO, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)

Table 15

DEMOGRAPHICS					
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	Unemployment Rate (%)
2009	264,250	$ 10,813,110	$ 40,920	54,203	7.6
2010	265,000	9,813,480	37,032	54,939	7.0
2011	262,200	10,167,592	38,778	55,570	7.4
2012	263,750	10,162,288	38,530	55,659	5.6
2013	265,900	11,004,272	41,385	54,735	5.6
2014	270,100	11,308,547	41,868	54,822	4.6
2015	273,600	11,604,197	42,413	54,689	3.5
2016	276,700	11,765,837	42,522	54,573	3.7
2017	279,100	12,083,914	43,296	54,173	3.2
2018	282,700	13,120,672	46,412	53,952	3.2

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U.S. Census Bureau for the year 2014. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

CITY OF PLANO, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)

Table 16

2018			2009		
Employer	**Employees**	**Percentage of Total City Employment**	**Employer**	**Employees**	**Percentage of Total City Employment**
Capital One Finance	5,979	3.67	Bank of America Home Loans	9,410	6.86
Bank of America	5,029	3.09	J.C. Penney, Inc.	5,100	3.72
DXC Technology	4,000	2.46	Electronic Data Systems	5,000	3.64
Toyota Motor North America, Inc.	3,937	2.42	Perot Systems Corporation	2,697	1.97
Ericsson	2,713	1.67	Alcatel	2,023	1.47
Liberty Mutual Insurance Company	2,700	1.66	CHC Acquisition Corporation	2,000	1.46
J. C. Penney Company, Inc.	2,420	1.49	Frito-Lay	2,000	1.46
NTT Data, Inc.	2,133	1.31	Presbyterian Hospital of Plano	1,488	1.08
JP Morgan Chase	2,000	1.23	Capital One Auto Finance	1,415	1.03
PepsiCo	1,881	1.16	Medical Center of Plano	1,348	0.98
Total	32,792	20.16	Total	32,481	23.67

Sources: Plano Economic Development Board
Sources: Texas Workforce Commission

CITY OF PLANO, TEXAS **Table 17**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

(unaudited)

	Fiscal year									
	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
General government	96.0	92.5	90.0	93.0	91.0	96.5	95.0	93.5	54.5	64.5
Administrative services	96.0	92.5	91.5	87.5	83.5	81.5	79.5	79.0	79.5	79.5
Police	692.5	669.5	628.0	611.0	625.5	616.0	606.0	604.5	620.0	651.5
Fire	400.0	397.0	362.5	365.0	359.0	349.0	335.0	334.0	335.0	334.0
Libraries	156.5	152.0	155.0	149.0	148.5	148.5	149.0	159.0	157.0	156.0
Development	184.5	184.5	180.0	167.0	155.5	147.5	148.0	148.0	149.5	159.5
Public services and operations	76.0	75.0	73.0	71.5	69.0	66.5	66.5	67.5	60.5	66.0
Parks and recreation	421.5	415.5	360.5	358.0	347.5	386.0	357.0	342.0	387.5	378.0
Public works	70.0	69.0	66.0	61.0	61.0	61.0	55.0	56.5	64.0	61.5
Technology services	59.0	54.0	58.0	55.0	57.0	50.0	46.0	47.0	49.0	50.0
Water and sewer	141.5	141.5	145.5	147.0	150.0	147.0	146.0	144.5	152.0	153.0
Environmental waste services	97.0	100.0	94.5	95.5	97.5	94.0	95.5	95.5	95.0	93.0
Municipal drainage	22.0	26.0	28.0	28.0	25.0	22.0	22.0	20.0	22.0	19.0
Civic center	40.0	41.0	39.5	40.0	42.0	40.0	40.5	43.0	48.5	50.0
Municipal golf course	7.0	8.0	8.0	8.0	9.5	8.0	8.5	7.0	6.0	7.0
Recreation revolving	128.5	143.5	149.5	126.5	138.5	139.0	160.5	159.0	160.5	169.0
Total	2,688.0	2,661.5	2,529.5	2,463.0	2,460.0	2,452.5	2,410.0	2,400.0	2,440.5	2,491.5

CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 18

Function/Program	Fiscal Year 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Administrative Services										
Legal										
Ordinance/resolution review/preparation	129	141	226	194	226	237	240	258	266	552
Human Resources										
Full-time civilian employees	1,454	1,434	1,410	1,378	1,363	1,330	1,308	1,320	1,349	1,387
Accounting										
Payment requests processed	61,800	65,025	66,170	64,268	64,765	66,076	63,183	65,723	70,850	81,677
Police										
Employees (uniformed)	406	394	361	346	352	345	340	335	340	341
Citations	59,137	53,111	63,559	65,269	68,258	72,507	75,009	60,378	68,598	92,133
Public Safety Communications										
911 Calls*	156,865	161,310	159,795	166,304	164,299	160,196	150,508	150,614	157,277	234,876
911 Dispatches*	226,222	204,016	215,733	218,773	226,704	235,572	239,491	232,981	240,175	229,669
Fire										
Employees (uniformed)	380	377	343	347	341	333	316	315	313	323
Fire runs	27,890	26,570	25,005	24,618	22,615	21,801	20,342	21,040	19,893	20,235
EMS runs	17,667	15,760	15,689	15,462	14,521	14,155	13,293	12,902	12,782	13,693
Libraries										
Volumes in collection	691,466	795,654	770,701	786,982	803,074	811,941	807,343	798,347	757,837	793,073
Registered borrowers	188,470	188,787	181,131	200,369	203,478	205,512	206,550	204,234	200,386	196,093
Development										
Building Inspections										
Inspections (all construction)	64,632	71,069	65,230	59,384	56,014	62,479	58,217	53,890	50,790	52,805
New construction permits issued	755	765	825	1,070	810	818	854	1,885	1,010	825
Engineering										
New streets/alleys paved (miles)	1	5	4	4	5	5	2	4	3	2
New water lines installed (miles)	17	24	18	24	16	21	14	10	23	28
Public Services and Operations										
Environmental Health										
Inspections	6,242	7,417	6,482	5,929	6,087	5,898	5,478	4,489	4,554	3,931
Animal Control										
Animals impounded	6,383	6,891	6,947	7,687	8,302	9,152	9,388	7,591	9,616	8,728

(continued)

CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 18
(continued)

Function/Program	Fiscal Year 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Parks and Recreation										
Recreation attendance	2,332,667	2,295,266	2,561,438	2,420,165	2,356,309	2,393,394	2,447,363	2,169,763	2,361,390	2,377,182
Recreation center members	63,550	54,482	51,254	49,857	52,664	50,476	35,222	21,690	22,246	22,083
Public Works										
Streets										
Streets, alleys, and sidewalks										
Excavate/Replace (Sq Ft)	2,562,992	2,461,590	2,109,483	1,661,006	1,607,939	1,490,877	975,140	1,639,893	1,377,388	877,475
Water and Sewer										
Water customers	81,346	80,827	80,621	80,371	79,139	78,534	78,144	77,720	79,243	77,082
Average daily water consumption (gal)	59,734,375	48,909,020	56,517,827	49,676,000	73,200,000	80,928,294	80,284,182	61,740,731	63,893,260	62,645,000
Maximum storage capacity (gal)	85,500,000	85,500,000	85,500,000	85,500,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000
Environmental Waste Services (residential)										
Refuse collected (tons)	61,227	58,319	60,287	58,703	57,154	57,191	57,810	62,078	59,530	60,670
Bulky waste pickups (tons)	6,157	6,470	6,535	5,095	4,925	4,600	4,194	5,544	5,142	5,264
Recyclables collected (tons)	17,698	17,489	18,406	18,627	18,623	18,816	18,882	19,216	19,435	19,632
Yard trimmings collected (tons)	18,540	19,540	21,199	20,840	24,299	21,108	19,614	21,139	21,704	21,465
Municipal Drainage										
Environmental assessment requests	100	132	171	207	133	92	74	70	65	54
Storm sewer inlets maintained	10,023	9,870	9,268	8,462	8,983	9,527	9,673	10,483	10,483	10,483
Civic Center										
Event days booked and serviced	300	150	246	275	247	249	693	883	834	1,145
Municipal Golf Course										
Rounds of golf played	48,155	52,746	48,982	45,223	50,447	53,324	50,759	4,902	41,592	54,109
Recreation Revolving										
Courses completed	6,999	6,512	6,971	7,137	6,966	7,172	6,810	6,924	7,046	6,822

Source: City Departments
Notes: *911 Calls and 911 dispatches include all calls to 911 which represent both police and fire.
Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 19

Function/Program	Fiscal Year 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of patrol units	154	147	130	127	124	128	126	121	143	166
Number of motorcycle units	5	5	5	5	6	6	7	7	6	6
Fire										
Number of stations	13	13	13	13	13	13	13	13	12	11
Number of fire engines/trucks	23	22	22	22	22	22	22	22	22	22
Number of EMS trucks	11	11	11	10	10	10	10	10	10	7
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- paved (miles)	1,045	1,044	1,039	1,035	1,031	1,026	1,021	1,019	1,016	1,014
Alleys- paved (miles)	519	519	519	519	519	519	519	519	518	517
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Parks* (acres)	4,375	4,322	4,268	4,244	4,241	4,002	3,995	3,994	3,936	3,858
Athletic fields	163	161	171	179	179	179	179	179	179	179
Playgrounds	70	71	69	70	69	69	69	71	71	71
Recreation centers	4	5	5	4	4	4	4	4	4	5
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natatorium	9	9	8	7	8	9	9	9	9	9
Public Works										
Traffic signals	230	227	225	221	220	219	219	216	215	212

(continued)

CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Table 19
(continued)

Function/Program	Fiscal Year 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Water and Sewer										
Water mains (miles)	1,436	1,427	1,414	1,405	1,391	1,384	1,373	1,367	1,362	1,351
Sanitary sewers (miles)	1,042	1,037	1,032	1,029	1,024	1,019	1,014	1,009	1,007	1,001
Fire hydrants	14,952	15,452	15,256	15,111	14,918	14,817	14,677	14,604	14,516	14,369
Environmental Waste Services										
Collection trucks	51	51	50	50	50	50	50	48	45	45
Municipal Drainage										
Storm sewers (miles)	697	694	688	682	677	673	668	665	662	656
Civic Center										
Civic Centers	1	1	1	1	1	1	1	1	1	1

Source: City Departments
Notes: N/A - Data not available.
*Includes Golf Course.
Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions.